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ABSTRACT

This compendium describes the programs of state financial aid to school districts that were in effect in the 1978-79 school year. The introductory section of the report is an analysis of the situation and contains summary tables. The report for each state consists of two parts. The first part reports features of the state and local systems of providing financial support for public schools. The second part of a state's report contains the actual description of each state program of financial aid to local school districts and to intermediate districts. Each distribution identified as a separate fund by the state is described in terms of title, legal citation, appropriation (or estimate) for the school year, percent of total state funds allocated, program description, calculation of state and local shares of program cost, and extent of school district participation. (Author/MLF)

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Public School Finance Programs, 1978-79

Compiled and edited by

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in cooperation with
State Education Agencies

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This compendium describes the programs of state financial aid to school districts that were in effect in the 1978-79 school year. For some states, program dollars reported are for budget amounts rather than actual disbursements. The compendium also contains some information on the state and local tax systems which support elementary and secondary education. The volume updates the information reported in the 1975-76 edition.[1]

The report for each state consists of two parts. The first part is entitled "Selected School Finance Facts" and reports features of the state and local systems of providing financial support for public schools. The second part of a state's report contains the actual description of each state program of financial aid to local school districts and to intermediate districts. The "Selected School Finance Facts" is based on information provided by states in questionnaires which accompanied the U.S. Office of Education request for descriptions of financial aid programs. These questionnaires are reproduced at the end of this section. The questionnaires, one on state support and the other on local support, were designed to gather information which had often proved elusive or to clarify information routinely reported. In addition, states were asked to report important changes in legislation and any judicial rulings which have occurred since 1975-76 that impacted on school finance.

A number of items in the questionnaire on State Support" were designed to reveal the composition of state revenue used in the support of public schools. Another group of questions concerned a comparison of the state basic guarantees with statewide averages for the same parameters. For the first time, states were asked to report information regarding changes in the equity status of their finance systems. Any evidence which accompanied state claims about equity features was reported in the State Support section of "Selected School Finance Facts".

The questionnaire also sought information regarding state funding of employee benefits programs. A number of states provides such support without reporting it as a state school financial aid program. This frequently occurs when states transfer funds to a state account earmarked for employee benefits rather than providing direct aid to local school systems for this program. This omission normally understates by substantial amounts the amount of school support reported by these states. State payments for employee benefit obligations now constitute one of the largest programs of aid assistance on behalf of the local school districts.

The final group of questions on the "Questionnaire on State Support" is designed to provide information on new state aid programs, judicial proceedings affecting school finance, and any major changes in assessment practices.

The questionnaire on Local Support" contains questions relating to local tax sources and to methods of raising and limiting taxes for public school purposes. Revenue limits have assumed a greater importance in recent years, either as an attempt to achieve greater equalization by reducing interdistrict revenue disparities or as a means of limiting the growth of or even lessening the reliance on, property taxes. One critical question was designed to provide information on the share of local revenues required as a matching amount or a contribution to the basic support program. These "required" local revenues constitute the equalized revenues. The larger the share of the combined state and local revenues that are equalized in a state, the stronger the presumption that the state aid system has effectively neutralized the influence of local wealth in the financing of public schools. Information provided on the "Local Support" questionnaire replaces the narratives on local support which followed each state's school aid program description in previous editions of this compendium. With one or two exceptions, states have not altered this information for the last two editions.

State responses to the questionnaires varied widely. Some states provided an abundance of useful information; other states had little to report. Because of these variations in responses, one must not assume that the information provided by some states is complete.

State School Finance Program Descriptions

The description of each state's financial aid systems follows the format originally introduced in the 1975-76 edition, with the exception of employee benefits. (See Chart I.) Because of the magnitude of aid provided for employee benefits, such aid programs now appear as item number 4 in the chart. "Instructional Staff Services" which constituted item number 4 in the 1975-76 edition now appear under item 6, "Current Aid Programs, not elsewhere classified."

The "Basic Support Programs" provide the major part of state funds to local school districts. The essential features of these programs vary among the states, with some narrowly focusing on aid distributions for regular day pupils while a few encompass the broad range of state supported programs. The dollars associated with the major components of the "Basic Support Programs" appear in parenthesis where they have been reported. Almost invariably, these programs require some financial contribution from the local school systems, though in a few states the aggregate local contribution is nominal. Only five states distribute basic aid in the form of flat grants requiring no local funds.[2] In addition to the "Basic Support Program," some states provide unrestricted general aid through separate programs. These are reported as "Supplemental Basic Support" programs and follow immediately the major basic support program description.

The "Pupil Targeted Instructional Programs" comprise the categorical aid programs providing educational support to groups of children who have been separately identified, such as handicapped children, or for specific educational programs, such as vocational education. Where such aid programs are included in the basic support program, they are referenced accordingly. Financial aid provided on the basis of a count of disadvantaged children which is not earmarked for such children is in reality a form of general aid to school districts designed to compensate for any extra costs associated with the education of children attending schools in these districts. Since this aid is provided without any requirement that the amount be spent on the targeted population it may legitimately be considered general aid rather than pupil targeted and is not identified here.

The third category of programs, "Pupil Support Services," refers to state funds provided to local education agencies irrespective of the curriculum in which pupils are enrolled. Financial support for transportation, for instructional materials and for food services are typical programs included in this category.

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[1] A separate section on property taxes follows this introductory chapter. The report appears in this volume because of the importance of property taxes in the financing of public schools.

[2] These States are Connecticut, Delaware, Hawaii, Kentucky, and North Carolina.

Chart 1

State School Aid Programs

1. Basic Support Programs
    - a. Primary Basic Program
    - b. Supplemental Basic Support Programs

2. Pupil Targeted Instructional Programs
    - a. Special Education
    - b. Vocational Education
    - c. Driver Education
    - d. Compensatory Education
    - e. Bilingual/Bicultural Education
    - f. Migrant Education
    - g. Kindergarten and Early Childhood
    - h. Adult Education and Manpower
    - i. Other Pupil Targeted Programs
        - .Delinquents
        - .Orphans
        - .Career Awareness
        - .Right-to-Read
        - .Drug Education

3. Pupil Support Services
    - a. Transportation
    - b. Health and Guidance
    - c. Textbooks, Instructional Materials and Media Services
    - d. Food Services
    - e. Other Pupil Support Services

4. Employee Benefits

5. District Characteristics
    - a. Urban Factor
    - b. Density Factor
    - c. Sparsity Factor
    - d. Other
        - .State impact aid
        - .Property Tax relief for high tax districts

6. Current Aid Programs, N.E.C.
    - .For increasing or decreasing enrollments
    - .To reduce pupil/teacher enrollments
    - .Aid to non-public schools
    - .For district reorganization
    - .Community schools

    - .Instructional Staff support
    - .Pilot Studies
    - .State administration

7. Capital Support Programs
    - a. Grants
    - b. Loans
    - c. Other

"Employee Benefits" are separately reported as the fourth group of programs. Because of the magnitude of state aid involved and their growing importance, these programs have been separately identified here. Again, it should be mentioned that only state employee benefit programs which have been reported as state aid programs are included here. The "Selected School Finance Facts" for each state give information on those states which have reported transfers to state employee benefit funds that do not appear as state education aid. The fifth group of state aid programs, entitled "District Characteristics," encompases those financial aids provided on the basis of features of school districts which a state chooses to compensate. Incidence of poverty, small school aid adjustments and/or sparsity factors are the programs separately reported in this category.

"Current Aid Programs, not elsewhere classified," follows and is a residual category of programs. Examples of the programs included in this category are listed in Chart I.

"Capital Support Programs" comprise the final category. Grants for construction, debt service support, and loans have been included here. However, loans available to local education agencies have been excluded from the summary state aid total appearing at the first line of each State's program description of school aid.

The Basic Support Programs

Important features of state aid distributed to local school districts under the basic support programs are identified in Table 1, "Principal Features of the Basic Support Programs of State School Aid, 1978-79." The difficulty in constructing such a table is in trying to capture the essense of fifty diverse programs under a handful of headings. Some of the basic program characteristics can easily be standarized; other program characteristics are unique to a state and do not lend themselves to easy classifications. In these cases, the compiler's judgement comes into play. While a reader's interpretation may differ from our own, this Table represents our estimate of the basic support program features.

The first five columns in the body of Table 1 identify the basis by which state aid is calculated for distribution. Essentially, these columns differentiate between the way pupils are counted for state aid purposes. In the first column, pupils are counted without any weighting, though the actual measure used varies among the states. Examples of unweighted pupil measures are average daily attendance, average daily membership and full time equivalent students.

States using pupil weighting as the unit for state aid calculations are reported in columns 2 and 3. The most common forms of pupil weighting reflect broad categories of programs or district features and are reported in column 2. States may differentiate regular school pupils by grade levels and other pupils by broad programs, such as special education or vocational education. They may also compensate school districts for density or sparsity or for the incidence of poverty. In some states, these pupil weights are also adjusted for the training and experience of the teachers employed.

Some states use elaborate weighting measures to differentiate students enrolled in a variety of educational programs. States with such detailed program weighting measures are reported in column 3. These weights are designed to reflect the extra costs of providing specific instructional services. The pupil weights are often related to programs for specific learning disabilities in special education -- e.g. for emotionally disturbed children, the mildly retarded, for the deaf, etc. -- and for the differing curriculums in vocational education. Weights tied to the grade level of pupils enrolled in the regular program are another common feature of specific program weighting systems.

State school aid which is calculated on the basis of instructional units are reported in columns 4, and 5. State aid programs which require that aid be allotted on the basis of the number of teachers hired by a school district within specific pupil-teacher ratios, are reported in column 4. In these programs, states guarantee salaries of teachers in accordance with a salary schedule reflecting years of formal training or degree status and teaching experience. In addition, other personnel units such as supervisors and administrators may also be tied to allowable teacher units and, in some cases, payments for maintenance and operations and capital outlays are based on the number of authorized teacher units. In column 5, those state aid programs are identified which allocate dollars on the basis of the number of authorized classroom units without reference to the existing number of teachers. Classroom units are calculated on the basis of the number of pupils enrolled in a school system. Financial aid is provided for all of the costs associated with the educational program for that unit.

The principal types of state and local shared cost programs are reported in columns 6-10. Column 6 shows State aid programs calculated on the basis of a minimum foundation guarantee. These programs provide a state guarantee for a level of aid either on a per pupil or per instructional unit basis. The form of the guarantee varies among the foundation programs. Some states specify a dollar guarantee per pupil while other foundation programs tie their support to authorized instructional units without reference to any dollar guarantee. They are shared cost programs in that local school

Table 1. PRINCIPAL FEATURES OF THE BASIC SUPPORT PROGRAMS OF STATE SCHOOL AID, BY STATE, 1978-79

	Unit Calculation						Variable Guarantee Programs				Guaranteed Minimum	
	Unweighted Pupils	Weighted Pupils		Instructional Units		Minimum Foundation Program						
	(1)	Broad 1/ Categories (2)	Specific Programs (3)	Teacher (4)	Classroom (5)	(6)	Percentage Equalizing (7)	Guaranteed Yield (8)	Guaranteed Tax Base (9)	Guaranteed Budget (10)	Per Pupil or Flat Grant (11)	Per District (12)
Alabama				X		(a)X						
Alaska					X		(a)X					
Arizona					X	X						
Arkansas	X									X		
California		X				X						X
Colorado	X							X				X
Connecticut	X								(a)X		X	
Delaware			X	X			(a)X				(b)X	
Florida			X			X					X	
Georgia				X		(a)X						
Hawaii	X										X	
Idaho		X				X						
Illinois		X				(a)X			X		X	X
Indiana			X			(b)X						X
Iowa		X				X				X	X	
Kansas	X									X		X
Kentucky				X					(a)X		(b)X	
Louisiana			X	X		(a)X						
Maine		X				X		(a)X				
Maryland	X					X						
Massachusetts		X					X					X
Michigan	X							X				
Minnesota		X				X						X
Mississippi				X		(a)X						
Missouri		X							(a)X	X	X	

See footnotes at end of table.

Table 1. PRINCIPAL FEATURES OF THE BASIC SUPPORT PROGRAMS OF STATE SCHOOL AID, BY STATE, 1978-79 (Cont'd)

	Unit Calculation						Variable Guarantee Programs				Guaranteed Minimum	
	Unweighted Pupils	Weighted Pupils		Instructional Units		Minimum Foundation Program (6)						
	(1)	Broad 1/ Categories (2)	Specific Programs (3)	Teacher (4)	Classroom (5)		Percentage Equalizing (7)	Guaranteed Yield (8)	Guaranteed Tax Base (9)	Guar-anteed Budget (10)	Per Pupil or Flat Grant (11)	Per District (12)
Montana		X				X		(a)X				
Nebraska		X				(b)X					X	
Nevada		X		X		X						
New Hampshire		X				X					X	
New Jersey	X								X	X		X
New Mexico		X				(a)(b)X						
New York		X					X				X	X
North Carolina		X		X							X	
North Dakota		X				X						
Ohio	X							(b)X				X
Oklahoma		X				X		X			X	
Oregon	X									X		X
Pennsylvania		X					X					X
Rhode Island	X						X					X
South Carolina			X			X					X	X
South Dakota					X	X					X	
Tennessee			X			(a)(b)X						X
Texas				X		X					X	
Utah			X			(b)X		(a)X				
Vermont	X						X					
Virginia	X					X					X	
Washington					X					(a)(b)X		
West Virginia	X			X		X						
Wisconsin	X								X			
Wyoming					X	X						

1/ Weights reflect such factors as pupil grade levels, density, sparsity, incidence of poverty and broad program categories such as special education and vocational education.

a. Minor feature.
b. Adjusted for teacher degree status and/or experience in each district.

districts make a contribution to the program usually by meeting a local levy requirement. Where a school district raises through this levy requirement more than the state guarantee, then it does not participate in the foundation program. For other districts, the amount raised locally through the required levy is deducted or "charged back" from the amount guaranteed by the state through the foundation program. The level of required local support varies widely among the States. Minimum foundation programs are the principal mechanism through which about half of the states distribute their basic financial school aids.

Programs of state aid which guarantee a variable dollar level of support to school districts are the principal alternatives to the minimum foundation program and are reported in columns 7-10. Unlike the foundation program where a state sets the guarantee level, variable guarantee programs are based on school district decisions on spending and tax effort within certain prescribed constraints. One of the chief characteristics of these alternative formulations of basic state aid is that the state guarantee varies with the local tax effort or local budget preference as well as the district's wealth. As a result, a greater flexibility is introduced in the provision of state aid.

In all of these cases there is a maximum guaranteed amount which States will provide. Hence, LEAs do not have the option of taxing themselves at increasing rates in order to receive larger amounts of State aid.

States utilizing percentage equalizing formulas are reported in column 7. These formulas usually take the form, state aid equals one minus (Equalized value of property per pupil in a district divided by the state average equalized value per pupil) times a given percent of a dollar amount set by the state or by the district. Though this formulation differs from the typical foundation program the result in terms of state aid provided is the same as that of the foundation program. The difference is that a district is reimbursed up to a maximum amount in accordance with its choice of an expenditure level.

Other forms of state aid have been implemented in recent years which have guaranteed to each district a tax yield (column 8), a tax base (column 9) or a budget (column 10). Under a system of guaranteed tax yields, the state sets a guaranteed dollar amount for each mill levied by a school district up to a specified number of mills. Where district levies yield less than the prescribed guarantee, the state provides the difference. Where a state program guarantees a tax base, districts are free to choose a local levy, usually above a minimum, and the state share is equal to any difference between the district levy on its own tax base and that of the guaranteed tax base. Thus, while the formulation of the guaranteed tax base differs from that of the guaranteed yield, the actual proceeds to a district are the same under either program. Any given dollar guarantee per mill is equivalent to a guaranteed tax base for each mill levied.

Several states have basic aid guarantees tied to actual district budgets and these are identified in column 10. In these states, patterns of expenditure differences among districts have been largely frozen into the school finance system though low spending districts may be provided with aid incentives or with greater allowable limits in annual budget growth than big spending districts.

In some states, the aggregate required local contribution to the basic support program is minimal. As a result, there is little variation in aid entitlements among districts based on district wealth. Such aid programs more closely resemble flat grants than equalization aid. Yet they cannot be classified as flat grant programs because some local contribution is required. Six States (Alabama, Georgia, Louisiana, Mississippi, New Mexico and Tennessee) require less than 15 percent in aggregate local contributions to their foundation aid programs. They are identified in Table 1 as states providing foundation aid as a minor program feature. Similarly in Alaska, a minimal aggregate local contribution is required for its percentage equalizing program as it also is in Washington under its guaranteed budget program.

In column 11, state programs which guarantee to each district a minimum payment or flat grant per pupil are reported. Generally, a minimum payment guarantee appears as a provision of the basic support or shared cost program. Where a district does not qualify for state aid under the basic support program, usually because of its high wealth status, some states provide a minimum per pupil payment to the district. Essentially, all such state programs have flat grant payments incorporated in their shared cost programs. Other states provide flat per pupil payments through separate funds to all districts for general education aid purposes, and these too are reported in column 10. Since these flat grants are equivalent to minimum payment guarantees, they are both reported in column 10 of Table 1. The importance of flat per pupil grants varies widely among the states. In North Carolina and Delaware, for example, the entire basic support program is funded through flat grants distributed on the basis of teacher units. In some states, the flat grant is minimal and merely guarantees a per pupil payment to districts which do not qualify for equalization aid as in the Nebraska and Illinois programs. Other states, such as New York and Massachusetts, provide more substantial amounts in the form of flat grants or minimum guarantees per pupil.

States which have reported minimum dollar guarantees to districts are listed in column 11. The reader is cautioned to note that not all states with minimum district guarantees may have reported this information so that this column may be incomplete. Guaranteed district minimums are generally in the form of save-harmless provisions which assure that the amount of state aid to any district is equal to the amount provided in a base year or to a percentage of the base year amount. Such provisions are of critical importance to local education agencies experiencing declining enrollments. At the same time these provisions tend to mitigate the equalizing effects of any basic school aid distribution which varies inversely to district wealth.

In Table 1, an attempt has been made to characterize the basic state school aid programs according to their formulation. However, the diversities and complexities of these programs can only be revealed by the actual state program descriptions which follow. Perhaps the chief source of diversity is the level of financial support provided by the basic school aid distribution. A state basic guarantee of say, $500 per pupil, differs dramatically from a state guarantee of $1,500 per pupil, even though the calculation of the guarantee takes the same form. Other sources of differences among the state basic support programs stem from the measure of local wealth, the amount of local effort required, pupil weighting units, and the types of education programs or services encompassed in the basic program.

State School Aid Programs

The distribution of state aid by program category is reported in Table 2. The programs included in this table comprise the major programs for which aid is provided by the states or in which there is a Federal interest. The program dollars are reported in the same sequence as they appear in the state program reports which follow.

Many states provide aid for various programs through their basic support programs. When this occurs, the amount provided is reported in parenthesis in the program column but is not deducted from the basic support program. Some states also provide additional aid for the same general purpose through categorical programs. In such cases, the categorical amounts have been added to the programs dollars appearing within the parenthesis. A footnote alerts readers when categorical aid has been added.

Among the categorical aid programs, dollars for compensatory education have been reported only for those states which require the targeting of these funds to the appropriate student population. Programs which provide aid on the basis of a poverty count but do not require the targeting of such funds are more properly aid based on the incidence of poverty and are included in the category of aid assistance for district characteristics.

A few states provide substantial amounts as direct aid for property tax relief programs, but such amounts have not been identified in Table 2. This is because other States may be providing substantial property tax relief through statewide programs such as circuit breakers or through the operation of their basic support programs even though this effect is not separately reported.

Sparsity programs are almost invariably reported in the program aid descriptions, but the additional dollar allowance such schools generate often are not. In such cases, the reader is alerted in the table to the existance of such a feature.

No attempt was made to standardize the components of a program so that expenditures which might be charged to one program in one state could appear in another account, elsewhere. Thus, the figures in Table 2 represent program expenditures as reported by each state in accordance with its definition of a program.

State Share of School Expenditures

The share of state/local school expenditures contributed by the states is reported in Table 3. The states are ranked according to the importance of the relative state contribution in 1978-79. All Federal funds are excluded from these calculations.

The median state share was 53 percent in 1978-79, up from the 50 percent reported in 1975-76. In 26 states, only narrow changes in the percentage state share of school expenditures have occurred since 1975-76. In 4 states, the percentage state share was reported unchanged and in 9 states, it moved within a range of + or - one percentage point. In another 13 states, the state share moved within + or - 2 or 3 percentage points in the three year period with the gainers and losers virtually evenly divided. To summarize the changes among these 26 states, 11 states exhibited modest increases of up to 3 percentage points in the state share, in 11 states declines of up to 3 percentage points were registered and in 4 states their shares were constant.

Changes in the state share in the remaining 24 states were more pronounced. In 14 states, increases ranged between 4 and 23 percentage points and in 10 states declines occurred between 4 and 9 percentage points.

The most significant increases occurred in California and Washington with the state share increasing by more than 20 percentage points in each case. In California, the state assumed a larger share of the education costs following voter approval of Proposition 13 which rolled back property taxes to one percent of market value. School districts shared in the proceeds of these reduced tax revenues along with other local taxing jurisdictions, and the state covered most of the balance lost in local school revenues. In Washington, a State Supreme Court decision in 1978, affirmed the State's obligation to fund a "Basic Education" program as required by the State's constitution. This program, funded at 85 percent of authorized level in 1978-79 (and at 100 percent in the following year), was supplemented by substantially smaller amounts of local revenues than in previous years. In 1975, Washington had converted a local school contribution tax rate to a statewide property tax to fund public schools. The result of these two measures was to boost significantly the state share of total school funding.

Substantial increases in the state share of school expenditures provided by the state also occurred in New Jersey (12 percentage points) and Oregon (10 percentage points). The infusion of state money following the implementation of new school aid formulas accounted for the increase in both cases. In the remaining 10 states relative increases in state share occurred between 4 and 8 percentage points. Generally, this was accomplished by pumping additional state dollars into existing aid programs. In Alaska, the increased state share can be largely traced to substantial increases in capital grants.

Table 2. STATE SCHOOL AID FOR SELECTED PROGRAMS OR PURPOSES, 1978-1979
(In Millions of Dollars)

State	Total	Basic Support Programs	Pupil Targeted Instructional Programs					Pupil Support Services			Staff	Adjustment for District Characteristics		Capital Grants
			Special Education	Vocational Education	Compensatory Education	Bilingual/Bicultural Education	Adult Education	Transportation	Textbooks, Materials and Educational T.V.	Food Service	Employee Benefits	Poverty Incidence	Sparsity-Small Schools	
Alabama	666.4	576.6	(25.6)	48.5			1.8	(38.1)			(20.4)			(32.1)
Alaska	367.7	203.6	(20.0)	(13.6)		(5.2)		17.2					(a)	131.3
Arizona	442.4	397.4	28.3	7.1		1.1		6.5						
Arkansas	289.0	222.5	14.0	8.6			1.1	20.2	5.7	0.9			(5.7)	
California	5,657.0	4,314.1	373.8		130.1	12.0		60.7	28.9	35.3	152.4	44.0	(a)	
Colorado	544.0	470.4	34.3	11.0		2.4		13.0	0.4			6.4	3.5	
Connecticut	295.3	191.1	51.4	3.0	7.3	1.4	1.0	13.2		1.9				18.0
Delaware	184.3	119.2	(33.8)[b]	(15.7)				10.6			28.4			19.6
Florida	1,368.2	1,161.4	(202.2)[b]	(269.6)[b]	26.5		(33.7)[b]	51.5	20.0	4.0				83.6
Georgia	859.5	677.9	(60.9)[c]	2.5	19.8			(42.8)	(16.8)		68.6		(0.2)	63.3
Hawaii	269.8	143.1	14.2		13.4		2.4	8.3	7.3	24.1				32.5
Idaho	171.4	120.1	(11.4)	1.1				(9.3)		0.3	25.2		(a)	
Illinois	1,933.2	1,372.9	154.2	25.1		14.6	7.5	81.3	9.4	14.3	228.0	(a)		10.0
Indiana	777.2	695.3	(34.0)	(14.8)	(12.2)		4.4	28.6		4.2				41.5
Iowa	476.5	461.1	(50.0)	3.0						3.3				
Kansas	34[illegible].6	284.3	22.4	10.6			insig.	22.1		2.1			(a)	
Kentucky	647.0	623.0	(63.8)[c]	(47.4)				(44.8)[c]	7.7				(a)	(59.9)
Louisiana	716.1	613.5	(75.0)[c]	3.5			2.9	(76.1)[c]	16.5	13.0	41.9		(a)	
Maine	171.6	171.6	(6.6)	(3.8)				(8.9)					(0.3)	(13.8)
Maryland	773.4	319.2	61.9	1.3			0.4	63.0		4.6	183.8			134.5
Massachusetts	859.3	633.5	(a)	(a)		(a)		46.5		7.0		(a)		113.2
Michigan	1,450.9	1,150.7	114.7	29.9	32.7	4.0		93.3						20.8
Minnesota	987.6	649.0	78.1	16.2				78.3		3.4		(a)		0.3
Mississippi	372.5	327.6	(29.2)[c]	(39.8)[c]			0.1	(29.0)	4.1	1.1	(35.7)			9.0
Missouri	569.3	434.8	46.3	17.6				45.7	18.3	4.1		(a)		2.4

See footnotes at end of Table.

Table 2. STATE SCHOOL AID FOR SELECTED PROGRAMS OR PURPOSES, 1978-1979 (Cont'd)
(In Millions of Dollars)

State	Total	Basic Support Programs	Pupil Targeted Instructional Programs					Pupil Support Services			Staff	Adjustment for District Characteristics		Capital Grants
			Special Education	Vocational Education	Compensatory Education	Bilingual/Bicultural Education	Adult Education	Transportation	Testbooks, Materials and Educational T.V.	Food Service	Employee Benefits	Poverty Incidence	Sparsity-Small Schools	
Montana	167.6	161.8	(26.7)[c]	(0.8)				3.6		0.5			(a)	
Nebraska	95.1	72.1	13.9	0.6	(0.7)			(0.7)		0.9			insig.	
Nevada	88.9	88.9	(11.1)					(5.2)					(a)	
New Hampshire	15.1	6.9	0.5	0.2						0.3				6.1
New Jersey	1,378.9	732.8	88.1	11.0	69.0	7.9	5.5	90.1		10.6	279.0			68.9
New Mexico	339.3	305.8	(30.2)			(2.7)		21.0	5.1				(13.3)	6.6
New York	3,353.0	3,047.2	(146.6)[d]	98.3[d]	(140.0)		(a)	(295.0)	60.0	11.3				(220.0)
North Carolina	1,086.1	985.1	(65.7)[c]	54.6				(56.3)[c]	(22.5)[c]				(a)	
North Dakota	119.1	97.5	6.1	5.3				9.5		0.6			(a)	
Ohio	1,519.9	852.8	142.8	102.6	40.1		7.6	71.4	2.8	8.2		(40.1)		
Oklahoma	369.1	352.9	(21.5)	(3.8)				(15.3)	6.3	1.5				
Oregon	373.0	322.2	24.5		1.0			19.8						
Pennsylvania	1,848.5	1,362.8	149.3	33.0	1.0			98.0		9.1		(a)	(a)	167.0
Rhode Island	117.7	102.5	4.0	0.3	2.0	0.1				2.6				6.0
South Carolina	509.9	347.2	(52.6)	(59.3)			1.4	30.6	9.1	0.9	91.5			22.7
South Dakota	41.9	37.8	1.5	1.4				(4.4)					(a)	
Tennessee	480.9	427.0	(57.8)	(44.4)				16.6	6.4					26.9
Texas	2,184.0	2,164.0	(250.8)[b]	(135.0)[b]		(5.2)		(61.5)	20.1				(a)	
Utah	307.7	201.7	(23.3)[b]	(13.0)[bc]	(1.0)	0.3	(2.3)[b]	11.1	(3.2)[bc]	3.2	61.7		(3.9)[b]	11.7
Vermont	58.9	39.0	11.1	3.2						0.4				4.6
Virginia	800.7	603.2	38.8	21.9			0.4	20.5	2.8	5.1	107.2			
Washington	976.4	746.2	49.0	(53.2)[c]	7.3			63.3		4.6			(34.1)	83.9
West Virginia	375.7	354.7	7.0	9.8				(11.0)[b]		1.9	(20.8)[b]			
Wisconsin	725.3	586.4	93.6		1.2	1.4		15.3	3.4	3.6				
Wyoming	69.1	50.7	(14.7)[b]	(14.1)[b]				(5.3)[b]					(a)	5.5

NOTE: Figures in parenthesis are included in Basic Support Programs except as otherwise noted.

a. Separate amount not reported.
b. Includes State and local shared costs.
c. Also includes some categorical aid. See program description for details.
d. Includes prorated amounts of the BOCES program and the program of Special Aid to the Five Cities.

Table 3. PERCENTAGE CONTRIBUTION BY THE STATES TO STATE/LOCAL SCHOOL EXPENDITURE 1978-79 and 1975-76

	Percent State Share		Changes in Percentage Points
	1978-79	1975-76	
Hawaii	100%	100%	-
Alaska	86	78	+8%
Kentucky	78	83	-5
New Mexico	78	87	-9
Alabama	75	75	-
Delaware	74	76	-2
North Carolina	73	81	-8
Utah	71	72	-1
Mississippi	70	75	-5
California	68	45	+23
Washington	68	46	+22
Idaho	67	73	-6
Minnesota	67	70	-3
Louisiana	65	58	+7
West Virginia	65	65	-
Georgia	64	59	+5
North Dakota	64	67	-3
Arkansas	61	62	-1
Florida	61	60	+1
Montana	61	60	+1
South Carolina	61	65	-4
Oklahoma	57	50	+7
Texas	57	51	+6
Illinois	54	52	+2
Indiana	53	55	-2
Iowa	52%	48%	+4
Maine	52	50	+2
Tennessee	52	44	+8
Kansas	47	40	+7
Colorado	45	47	-2
Arizona	43	45	-2
Michigan	43	41	+2
New Jersey	43	31	+12
Ohio	43	46	-3
Pennsylvania	42	50	-8
Rhode Island	42	36	+6
New York	41	40	+1
Vermont	41	36	+5
Nevada	40	48	-8
Missouri	39	38	+1
Wisconsin	38	36	+2
Virginia	37	35	+2
Maryland	34	42	-8
Wyoming	32	35	-3
Massachusetts	31	28	+3
Oregon	30	20	+10
Connecticut	29	28	+1
Nebraska	18	27	-9
South Dakota	18	18	-
New Hampshire	5	6	-1

Ten states experienced declines in the state share of school expenditures ranging from 4 to 9 percentage points. These changes usually occurred in states where aid formulas remained unchanged. In some states, local revenues increased following revaluations of district property bases. In such cases where local tax rates were held constant, rising property values yielded increased local revenues. As a result, relatively less state aid was required to achieve the state guaranteed levels. Declining enrollments often resulted in the loss of state per pupil did, despite the mitigating effects of "hold harmless" provisions. In New Mexico and South Carolina, the states were successful in increasing local contributions to school support. A foundation formula replaced the old flat grant program in South Carolina, and for the first time, local communities were required to contribute revenues for school support.

QUESTIONNAIRE ON STATE SUPPORT

NOTE: Actual or estimated data are requested for the 1978-79 school year. If unavailable, give latest available information and indicate the year to which applicable.

1. Report all State revenues to be received by school districts during the 1978-79 school year as a percent of State and local revenues budgeted for public schools in that year. Include State receipts from Federal tax exempt property which are earmarked for education, such as receipts from Federal mineral leases and Taylor Grazing Act. Also include State aid for capital support. Exclude from local revenues, receipts from sale of bonds.

   $__________ __________%

   (a) Are county taxes collected as a Statewide tax included in State revenues in Item 1 above?

   Yes______ No_______

   If yes:

   County taxes included as State revenues for school purposes amount to $_________ for 1978-79 school year.

   They comprise_____ percent of budgeted state and local revenues for 1978-79 school year.

   (b) Are district revenues collected as a Statewide tax included in State revenues in Item 1 above?

   Yes______ No______

   If yes, answer following:

   District taxes included as State revenues for school purposes amount to $______for the 1978-79 school year.

   They comprise _____ percent of budgeted State and local revenues for the 1978-79 school year.

2. Are State appropriations for public schools derived solely from general funds?

   Yes_____ No______

   (a) If no, list State revenues earmarked for public school purposes and the amount from each source for 1978-79.

3. Are State funds for public schools appropriated annually or biennially. Check one:

   Annually______ Biennially _________

   (a) If biennially, give years covered by appropriations for the 1978-79 school year.

4. If your State rebates to school districts or county of origin for public school purposes a share of State taxes such as State income tax or State sales tax report the tax source and amount of rebate for 1978-79.

5. Report any payments to school districts for State property tax relief programs for 1978-79.

   $_______ Type of program:

6. Provide the following information on the basic aid/equalization program in your State.

   (a) Is program in a phase-in implementation period as specified by the authorizing legislation?

   Yes _______ No __________

   If yes, what year of the phase-in is program in?

   (b) Is program fully funded at its present level of authorization?

   Yes ______ No _______

   If no, what percent of authorized funding will be provided for 1978-79?

   ____percent

   (c) Is a uniform dollar guarantee under the equalization aid program applicable to all districts?

   Yes _________ No ________

   If yes, specify guarantee $_____ per ______ (specify unit, such as per pupil, per mill etc.).

   If no, give the actual minimum and maximum dollars guaranteed by the State under the shared cost program in 1978-79 and the unit of guarantee (e.g. per pupil, per mill etc.):

   Minimum $____ per ____ to a district in 1978-79.
   Maximum $____per ____ to a district in 1978-79.

(d) Complete any line applicable to the basic aid equalization program in your State.

(1) The foundation dollar guarantee for 1978-79 equals an estimated _____ percent of statewide average expenditures per pupil. Specify pupil count used (ada, adm, etc.).

(2) The guaranteed yield per mill for 1978-79 equals an estimated ____ percent of statewide average yield per mill.

(3) The guaranteed tax base in 1978-79 equals an estimated ____percent of statewide average tax base.

(4) For other guarantees which vary by district, give estimated percent of statewide average, the average guaranteed amount represents:

____percent of 1978-79 of statewide average _____(specify unit of guarantee).

7. Since 1975-76, has your State's basic aid/equalization aid program resulted in any of the following: (check where applicable)

a. ____ Reduced expenditure disparities among school districts
b. ____ Increased fiscal neutrality (by reducing a district's expenditure link to wealth).
c. ___ Reduced property tax burdens.
d. ___ Provided relatively more resources to districts with below average wealth.
e. ___ Achieved other equalization goals. Specify:

8. Report any available evidence for any items checked above. (E.g. Per pupil expenditure disparities between districts enrolling the pupils at the 5th and 95th percentile are reduced from $1,000 to $1,500 in 1975-76 to $1,200 to $1,600 as projected for 1978-79.)

9. Name any public school financial support program which is fully funded by the State, such as employer contribution to State retirement fund for instructional personnel, pupil transportation, etc. Give amounts for each fully funded program.

10. List any new school aid programs funded by your State since 1975-76.

11. Indicate major court cases relating to the financing of public schools including assessments resolved since 1975-76 in your State. Give the citation and brief description of the case or decision (if any).

12. List any major legal changes in assessment practices since 1975-76.

13. Does your State Education Agency or a State Board of Education have the authority to submit the public school aid budget request to the State legislature without prior approval of the Governor's office?

Yes_________ No _________

If yes, name the agency which has this authority .

QUESTIONNAIRE ON LOCAL SUPPORT

NOTE: Actual or estimated data are requested for 1978-79 school year. If unavailable, give latest available information and indicate the year to which applicable.

1. Report number and fiscal status of school districts which will operate in your State in 1978-79. (Fiscally independent school districts have the authority to levy taxes for school purposes; fiscally dependent districts do not.)

______fiscally independent school districts
______fiscally dependent school districts.

2. For fiscally independent districts, report sources of district revenues for current operations and estimate percentage amounts from each source for 1978-79. Include independent countywide school districts as local districts. For fiscally dependent school districts, report sources of revenues and estimate percentage amount from each source as reported in the 1978-79 local government budgets which include school outlays.

3. Report total revenues from counties or other intermediate units available to school districts for the 1978-79 school year. Exclude revenues of countywide school districts reported in Item No. 2 above.

4. Does the State require that county taxes be levied for school purposes? Exclude taxes levied by countywide school districts which are included in Item No. 2 above.

Yes______No____.

If yes, give any required levy. ________

If no, do some counties levy taxes for school purposes on their own initiative?

Yes_____No____.

5. Does the State require the apportionments of any county revenues to school districts?

Yes_____No____

If yes, report the apportionments:

If no, do some counties apportion any county revenues to school districts on their own initiative:

Yes____No_____

6. Report total local school revenues for current operations budgeted for 1978-79, including local share of basic State equalization program. Exclude revenues for capital outlays and debt service.

Local contributions to basic State equalization
programs $____________
Other local revenues $____________
Total $___________

7. For fiscally independent districts, revenues for current operations of public schools are typically raised in accordance with the following provisions: (Give amounts where applicable)

- State required minimum levy for participation in basic support program______
- Maximum board levy without voter approval______
- Voter approval for any additional levy______
- Voter approval of total school levy required______
- Voter approval of school budget required______
- Other (explain)

a. If procedures differ among fiscally independent school districts, specify alternative procedures here and report the number of districts utilizing each alternative procedure.

8. If any voter approval is required for financing current operations in the local school districts, specify the frequency of school district vote:

(If no district vote approval is required, go to Q. 9)

- annual vote ( )
- multi-years ( ) (specify maximum interval ___________)
- Voting interval differs among districts. ( ) (give details)

a. Specify required voter approval:

- Simple majority voters ( )
- ___ percent of those voting ( )
- Procedures differ among districts (give details). ( )

9. Does State law specify a maximum levy or tax rate for raising local school revenues for current operations?

Check one: Yes ( )
No ( ) If no, go to Q. 10.

If yes, give maximum rate or levy limit. ________

a. Does limit apply to:

. all current school operations ( )
. shared cost basic aid program only ( )
. other ( ) explain:

b. If a levy or rate limit exists, is the limit subject to voter override:

Yes____No____

c. Specify any appeals procedures for exceeding the rate or levy limit.

10. For dependent school systems, is a maximum general purpose tax rate or levy limit in effect for local government units?

Yes____No___

If yes, give limit:

11. Give any district debt limit set by State.

Name of responding official__________________
Telephone number __________________

Property Taxes and Property Values: What's New About Base, Burden, and Other Mysteries*

Property taxes in the last decade have drawn attention to their own size and to the property values that measure them. For some taxpayers, notably those in California, property tax bills became gargantuan burdens till a fateful day in 1978. In Detroit, Philadelphia and some other places, however, property taxes have come to mean less, proportionately at least, than ten years ago.

Everywhere, of course, underlying residential values have soared, as sensitive to things like inflation as to the occasionally better assessing that more accurately identified them. Commercial real property values have often increased in similar fashion, at least on local assessment rolls. In some contrast, in some places, taxable commercial personal property value has either increased less rapidly, or even declined a bit since 1966.

Indeed, that phrase, "in some places," tells most about what has happened. Almost any inference about property taxation and property assessment fits somewhere, while broad generalizations with sweeping effect risk quick refutation.

In the pages that follow, the inherently local attribute of the subject characterizes available data, including material from the 1977 Census of Governments and its predecessor editions. Information presented deals with property tax revenue and rates, tax base extent and composition (both still more than a little mysterious), tax burdens, assessment performance, and tax limits. Most insistent implication throughout, in a setting where profound change may well impend, is the one most natural for property taxation: continued existence.

Property Tax Revenue

During the year ending June 30, 1979, State and local property tax revenue, nationwide, decreased by 3.3 percent from the 1978 total, dropping from $66 billion to $63.9 billion.[1] In the argot of public finance, this translates to "man bites dog," since an absolute decrease in annual property tax collections has simply never occurred in recent decades.

The absolute decrease reflects Proposition 13 influence. Among 17 California counties included in the Census Bureau quarterly tax sample, the percentage declines in collections for the year ending June 30, 1979, ranged from 35.7 percent in Riverside County to 67.1 percent in Contra Costa County.[2]

Quite apart from such recent California shifts, property tax declines in revenue proportion terms are hardly newsworthy. State and local property taxes provided 28.6 percent of general revenue in fiscal 1967. Ten years later the corresponding proportion was 21.9 percent. Among local governments only, property taxes comprised 43.2 percent of general revenue in fiscal 1967, and 33.7 percent a decade later.[3]

In absolute amounts, property tax revenue of local governments increased from $25.2 billion in fiscal 1967, to $60.3 billion in fiscal 1977, as shown in table 1. California collected more than any other State in both years, $3.8 billion in 1967 and $9.6 billion ten years later. Alaska was at the low end in fiscal 1967 with $21 million. Its property tax revenue in 1977, however, approximated $127 million, greater than such revenue reported for that year by Delaware and New Mexico.

Impacts on particular local governments exhibit wide variation. As table 2 demonstrates, property taxes mean substantially less for cities than for counties. Ten years ago cities derived 38.1 percent of general revenue, or seven of every 10 tax dollars, from property taxes. In fiscal 1977 the share of general revenue was slightly more than one-fourth. Corresponding proportions for counties are 42.1 percent and 31.3 percent, respectively.

New York City relies on property taxes for slightly more than one-fifth of general revenue, down from one-third 10 years earlier. In Philadelphia and Detroit the corresponding proportion has dropped to below 20 percent. Indeed, in Philadelphia property taxes constitute little more than one-fourth of all *tax* revenue.

School districts and special districts show similarly moderated use of property taxes since fiscal 1967. In that year almost 47 percent of independent school district general revenue came from property taxes. Within the 10 years that included *Serrano* and other decisions, the proportion had dropped to 42 percent. Among special districts the share, in terms of general revenue, dwindled from 22 percent to 14 percent. For both types of governments, however, property taxation remained the predominant, or only, choice among taxes, if any tax were to be considered.

The big change over ten years has come from substantial increases in intergovernmental revenue, representing primarily more State participation. This has occurred among all sizes of municipal and county governments, except cities between 50,000 and 100,000 population. Detroit, for example, now gets almost half its entire general revenue from intergovernmental sources. Among county governments, from smallest to largest, the intergovernmental fiscal influence is also strong, accounting for $2 to $2.50 out of every $10 of revenue.

John O. Behrens, Property and Public Finance Specialist, Governments Division, U.S. Bureau of the Census.

*Views expressed are those of the author and not necessarily of the Bureau of the Census.

Tax Base Extent

Census Bureau studies estimate the 1978 total gross assessed value of taxable property in the entire country at slightly more than $1.5 trillion, as detailed in table 3. This represents an increase of $281 billion, or 22.8 percent, over the amount of $1.2 trillion reported two years earlier. Assessed values within individual States in 1966 ranged from $640 million in Vermont to $53.6 billion in New York. Ten years later North Dakota showed the lowest total, at $739 million, and Florida reported the highest, at $110.9 billion. In 1978 Florida again led the rest, with $146 billion, and North Dakota retained its 1976 ranking, with $809 million.

There are no ratios readily available to convert the above totals directly to market value levels. Such aggregates include State-assessed and personal property, as well as the locally assessed realty to which Census of Governments ratios relate. Each aggregate simply reflects the degree of adherence to applicable legal standards that assessors within the particular State have achieved.

Some notion of prevailing de facto assessment levels and the market values they indicate is apparent from the "size-weighted" assessment-sales price ratios, calculated by the Census Bureau for "ordinary" realty, shown in table 3. By way of preface, both terms need explanation.

"Size-weighting" is the method used to remove the effect, on the underlying aggregate ratio, of differences in turnover (sales frequency) rates among various assessed value size classes of properties. Basically the method means applying an aggregate ratio to the assessed value aggregate for each size-class, summing the size-class market value indications, and then dividing the overall assessed value aggregate by the summation (see notes, table 3). The underlying aggregate ratio is simply the quotient resulting from dividing the estimated amount of assessed value for sold properties by the corresponding estimated amount of total sales price. Obviously, if all assessed values are actually at the same level of value as that evidenced by sales prices, the aggregate ratio will be 100 percent.

"Ordinary" realty includes each parcel of taxable real property except any which is locally assessed at more than an amount that, in the light of the prevailing aggregate ratio, has an indicated market value, in 1966, of more than $250,000, and in 1976, of more than $750,000. In most States the assessed value of ordinary realty amounts to at least 75 percent of the total for all real property. As a share of the assessed value for all taxable property,[4] however, the proportion is less than 60 percent in half the States.

Within such qualifications, market value indications for ordinary realty do make possible interstate comparisons, regardless of assessment level. In 1966, for example, the approximate market value of "ordinary" taxable realty ranged from $886 million in Alaska, to $124.4 billion in California. Ten years later the corresponding range extended from $5.6 billion in Wyoming, to $337.3 billion in California.

The market value of all ordinary taxable realty in the country in 1966 approximated $943 billion. When all locally assessed taxable realty is included, the estimate increases to approximately $1,277 billion. Corresponding nationwide market totals ten years later are estimated at $2.5 trillion and $3.2 trillion, respectively.

Percentage increases in both assessed and market values for locally assessed realty show the influence of inflation on price levels. They have been much greater between 1971 and 1976 than in previous five-year segments back to 1957. For the entire base, including State-assessed and personal property as well as realty, only assessed value aggregates are available. Here again the increase in the most recent 5-year period predominates, as the following summary demonstrates:[5]

	All taxable property		Locally assessed realty only			
	Gross assessed value		Gross assessed value		Indicated market value	
Year	Amount	5-year increase, percent	Amount	5-year increase, percent	Amount	5-year increase, percent
1956	$ 280.3	-	$209.8	-	$ 700	-
1961	365.9	30.5	280.5	33.7	970	38.6
1966	499.0	36.4	393.2	40.2	1,277	31.6
1971	717.8	43.8	573.9	46.0	1,755	37.4
1976	1,299.1	71.2	992.5	72.9	3,171	80.7

Among the individual States, a 10-year history reveals decidedly uneven growth in assessed value of locally assessed realty, as tables 3 and 5 make evident. During a span when Alabama could muster no more than a 30 percent increase, and thirteen other States "grew" by an average of less than 6 percent per year, Iowa, Oregon, and Washington soared to levels seven to ten times the 1966 total. Such "quantum leaps" have no necessary economic significance, however, since all three stem largely from adoption of "full" or "market" value as legal standard, in 1968 (Oregon), 1974 (Washington), and 1975 (Iowa).

Indeed the taxable base was probably contracting, in other than money terms, as preferential use laws and full or partial exemptions took hold. The latter have become significant with respect to personal property. Four States (Delaware, Hawaii, New York, and Pennsylvania) exempt all personal property, while Minnesota and North Dakota now exempt most of it. Inventories are totally or partially exempt in at least 20 States. Half the States no longer tax household furnishings. About $145 billion in personal property assessed value remained taxable in 1976. This represents an increase of 137 percent over the personalty assessed value for 1966, compared with 152 percent for realty. Along with relatively small amounts of State-assessed property, locally assessed personal property accounts for the difference in the amounts reported in table 3 for "all taxable property" and "locally assessed realty." In each of 5 States (Illinois, Maryland, Minnesota, New Hampshire, North Dakota) plus the District of Columbia, personal property assessed value declined between 1966 and 1976.

Tax Base Composition

Few aspects of property taxation stimulate more interest currently than tax base composition. Reasons for this stem from curious ironies, some involving mundane valuation procedures. Certain properties, notably residential types, sell more often than stores, offices, and factories. Because they do, they can be valued by assessors and appraisers more easily than commercial varieties, probably at levels close to selling prices. Commercial property, in contrast, often responds best to the capitalized income approach among appraisal techniques. This valuation procedure is consistent with a skeptical view of inflationary price influences, and its use can easily result in a capital value estimate lower than what sales prices would suggest. Keeping abreast of an active sales market is easier than analyzing operating statements, selecting realistic capitalization rates, and estimating depreciation.

If the sales market relates to vacant land, however, skepticism is apt to condition use of any market data developed. A land sale commanding a "high" price may well be deemed "speculative." Consequently, the land assessed value placed on the official roll will reflect a discounting of sales price down to a more "normal" level. With a "high priced" sale of a single-family house, such discounting is much less likely, even when the "high price" got that way largely as a result of inflation.

To the extent that both sales validly indicate a market value, the residence will very likely be correctly assessed and the vacant land underassessed. The latter is a frequent denouement.

One means for comparing shifts of assessed value among properties within major realty use categories is the Census of Governments group of estimated distributions. Usually the distributions are estimated every fifth year ending in a "2" or a "7." Budgetary constraints, however, prevented this activity for the 1972 Census of Governments. Hence the comparisons discussed below focus on the decade between 1966 and 1976. (Estimates are for the year preceding the Census year).

Ten years admittedly constitute a very long interval nowadays, when value changes within a single year can be substantial. It should be noted as well that assessed values involved are gross, before deduction of "partial exemption" components of assessed value for properties qualifying as homesteads or similarly benefited status. Additionally, even where such deductions do not occur, the property tax bills involved will be less than what the assessed values would indicate, to the extent that States or local governments rebate portions of the bills to taxpayers qualifying for any applicable "circuit breaker" property tax relief.

Within the above qualifications, percentage distribution of gross assessed values by use categories are presented for 1966 and 1976 in table 4. In the context of current attention to burden shifts among types of property, it is somewhat surprising to note the relatively little change among distributions on a nationwide basis. The assessed value of single-family houses, for example, constituted half the nationwide total in 1966, and then "dropped" to 49.9 percent 10 years later. Taxable commercial realty values, associated by some commentators with burden shifts beneficial to business property owners, actually increased proportionately during the decade, going from 15.3 percent in 1966 to 16.7 percent in 1976.

Whether this significantly reflects or refutes burden shifting, however, cannot be determined without, among other things, concurrent analysis of changes in the base of taxable personal property, now largely consisting of business assets.

Individual States provide more meaningful comparisons in any case, demonstrating once again that "the property tax" is not one tax but a host of levies, State-oriented as to internal legal consistency, and often decidedly local in terms of analytical significance and policy-conditioning influence. Among the distributions shown in table 4, 29 States exhibit decreases in the proportion of gross assessed value made up of single-family residences. The acreage proportion went down in 35 States, while the commercial realty share increased in 42 States. Vacant lot assessments, which constituted only 2.6 percent of the total in 1966 (table 4), went up to a share of 3.8 percent ten years later. This reflected an increase in the vacant lot proportion in 42 States. It is also a telling commentary on the continuing, long standing tradition of underassessing vacant land. The 1976 aggregate of $38 billion in assessed value of vacant land is 2½ times the 1966 figure and still makes up less than 4 percent of assessed value of all real property.

It is also instructive to note that in only three States did single-family residential assessed value increase between 1966 and 1976 by a percentage greater than that applicable to any other major use category (see percentage increases in table 5). One of these was California, where such value constituted 48.5 percent of the total in 1966. Ten years later, after an assessed value increase of almost 151 percent (table 5), single-family residence assessments in that State amounted to 53.3 percent. This was the setting for Proposition 13 two years later.

A second glaring shift occurred in Idaho, where the single-family residential component increased from 28.6 percent of the total in 1966 to 43.4 percent in 1976, following a successful court challenge of public utility assessments in 1967 and revaluation by the State in 1975. Idaho, it might be noted, also adopted a Proposition 13 type limitation in late 1978.

Examples cited do not support any inference that a widespread change in tax base composition has taken place. The examples substitute for trends and do not really confirm any. Indeed, analysis of the increases shown in table 5 reveals that the assessed value of commercial realty has increased by a greater percentage, between 1966 and 1976, than that of any other type, in 26 States. During the same period, acreage property has increased by the lowest percentage, in 25 States. Such results run counter to supposedly inhibiting effects of capitalized income value estimation, but they coincide with constricting value effects of the "benefited use" legislation that effectively validates assessment restraint in 44 States.

Perhaps the realistic conclusion is the recognition that a comprehensive set of influences determines tax base composition. Inflation is one influence but only one. Others include legislative prescriptions and proscriptions, reassessment cycle policy and practice, and value estimation mechanics.

Property Tax Burdens

The dynamics affecting tax base composition are not the only contributors to a much more complex property tax setting. At the bottom line nowadays, the tax burden is judged by its relationship to income as well as property sales price. To be sure, property sales price remains the best proxy for market value, and market value retains importance. A third of the States still specify its totality, or a semantic equivalent, as the legal standard for assessing real property.[6] Seven States now provide legally for classes of taxable property, each subject to a specified value level.[7] Among the seven, Alabama in 1978 changed its residential and agricultural level from 15 to 10 percent, and its "all other" category from 25 to 20 percent, both based on "fair and reasonable market value." Utility property is still subject to a 30 percent standard. Two other jurisdictions, West Virginia and, since 1978, the District of Columbia achieve classification by means of separate rates instead of separate value levels.

In one way or another, individual property tax burdens now reflect more than the interaction of a rate on a market-oriented, highest and best use type value. Not only do forty-four States now mandate or simply authorize assessing on the basis of a specified, benefited current use, regardless of market value, but every State now has some kind of property tax relief, still often in the form of a homestead exemption. More than half the States have adopted circuit-breaker laws which, for those qualifying, activate a tax credit or rebate whenever property taxes exceed specified percentages of family income. Whether or not such relief obscures the need for directly targeted housing subsidies is, incidentally, becoming an issue of great moment.[8]

Circuit-breakers, in any event, engender controversy as much as emulation. They can mean greater proportionate property tax reductions for relatively low-income households, and yet those who get the greatest benefits at each income level are likely to have the most property wealth. They are not automatic, and their apparently minor aggregative relief effect belies the intense tax burden sensitivity their widespread adoption suggests. Through 1977 State-financed circuit-breakers and homestead programs accounted for less than $2 billion in annual benefits,[9] while total property tax collections reached $62 billion.

Whatever the shape of property tax relief, there is little question that the amount of the tax bill commands attention today, particularly in relation to the "disposable income" used for its payment. The attention is understandable. Between 1956 and 1976, when assessed values of single-family houses increased fourfold, from $95 billion to $496 billion, and property tax revenue swelled by almost as great a percentage, from $13 billion to $63 billion, the median family disposable income in the country little more than doubled, going from $4,206 to $8,628. During the same span of time, the total payment for principal, interest, and property taxes on a mortgaged house increased from 22.4 percent of family disposable income, in 1956, to 23.5 percent in 1966, to 31.3 percent in 1976.[10]

Such income-oriented relationships have become very important to a sensitive public. They complement nominal and effective property tax rates in presentations of property tax impact. Of the latter two, nominal rates are less significant. A nominal property tax rate expresses amount of tax as a percentage of assessed value. Average local nominal rates for the entire country, and for each State , are shown in table 1. The nationwide aggregate rate was 5.2 percent for fiscal 1967 and 5.1 percent 10 years later. Statewide average aggregate rates in fiscal 1967 ranged from 1 percent in Kentucky to 23 percent in

Minnesota. A decade later Kentucky and North Carolina were lowest, at 1.1 percent, and North Dakota highest, at 19.5 percent.

All of such rates mean very little unless the level of assessed values is known. As an example, if (a big "if") the 1976 size-weighted ratio of 59.4 percent shown for Florida in table 3 can be estimated as applying not only to ordinary realty but also to all other property, the average nominal rate of 1.7 percent (table 1) might be expressed as an effective rate of 1 percent (1.7 multiplied by 59.4).

Thus to be useful, nominal rates must in some way be convertible to effective rates. An effective tax rate expresses the amount of property tax as a percentage of the sales price of the property. Otherwise stated, it is the burden of the tax on the property, borne usually by the owner thereof. In times past it became a matter of moment when it exceeded 3 percent. Presently, in an era of substantially higher sales prices, even an effective rate of 1 percent can sometimes arouse taxpayer wrath.

Effective tax rates have in fact moderated and often declined in recent years, as Census of Governments findings indicate.[11]

Among 349 cities where sales were sufficiently frequent and billing data feasibly available in 1972, the median among 1971 effective tax rates was 2.1 percent, not only for single-family houses, but also for all realty considered as a single class. Five years earlier the median effective rate for single-family houses, among 122 cities covered, approximated 1.85 percent. In 1976 the median was back down to that level, standing at 1.8 percent, among 358 cities. When the group is limited to cities of 100,000 or more, the median area effective rates decline from 2 percent in 1971 to 1.6 percent in 1976 (1966 rates for this latter group are not available).

Vacant platted lots exhibit still the twin boon for taxpayers, underassessment and low effective rates. In 1971 the median such rate among those found for 113 cities was 1.6 percent. Five years later the median among 109 cities was down to 1.3 percent. The situation may perplex or please those who like and those who loathe site value taxation. Whatever potential lies in restricting property taxation to land, our history invariably shows a reluctance even to include it on any basis of parity with other property.

As indicated above, however, declining sales price-based burdens are not confined to vacant land. In 17 jurisdictions nationwide there was an effective rate, for single-family houses, of less than 1 percent in 1971. In 14 of the 17, the effective rate in 1976 was even less than in 1971. The number of places with an effective rate of less than one percent rose to 33, in 15 States.

The highest single-family effective rate in 1971 was 6.4 percent in Trenton, N.J. That honor in 1976 went to East Orange, N.J., with 6.77 percent. Both places lie considerably east of Proposition 13 fervor. California sales, in fact, yielded only one jurisdiction with an effective rate exceeding 3 percent in either 1971 or 1976. This was Berkeley in 1971, with 3.3 percent. In 1976 the range among cities extended from 1.12 percent in Bakersfield to 2.9 in Compton.

Indeed, California confirms the decline in property tax burdens as measured by sales prices. Double digit annual percentage increases in such prices can, after all, with competent assessing, produce massive bills, easily mistaken for massively increased sales-oriented burdens. Among 53 California cities where calculations were possible for both 1971 and 1976, the property tax effective rate was lower in 1976 than in 1971, in 48 cities. The 1976 rate was higher in only 4 cities, while in one city the rate was the same in 1971 and 1976. In all of the 17 California counties where calculations were possible for both 1971 and 1976, the property tax effective rate was lower in 1976 than in 1971, for the "balance of county" areas outside central cities.

Assessment Performance

There is much evidence that assessing today is more competent than the variety common forty years ago. As many as two-thirds of the 13,500 primary assessing jurisdictions have computerized assessment administration, at least to the extent of preparing assessment rolls and associated records. In addition, many of the larger assessing offices now use computer techniques for sales ratio studies and residential valuation via multiple regression analysis.

Arguably such progress should assure an unmistakable trend toward attainment everywhere of the assessor's fundamental goals, greater uniformity among individual assessed values, at the particular assessment level specified in laws of the State involved. Such, however, is not true. Findings of the last three Census surveys (1967, 1972, and 1977) point instead to lower ratios and higher coefficients of dispersion, i.e., lower de facto assessment levels and less uniform assessments.

Assessment-sales price ratios cited in this paper are of two types, each expressed as a percentage. The first is the aggregate ratio, i.e., the quotient obtained as a result of dividing the sum of assessed values, for the group of sales involved, by the sum of the sales prices. Second is the median ratio, the one in the middle of an array, with an equal number lower and higher than itself.

Statewide aggregate ratios for 1976 are often substantially lower than those for 1971 and 1966. In 18 States (including

3 classified property tax States), the 1976 aggregate ratio for all realty (treated as one type) is more than 20 percent below the corresponding ratio for 1971. The latter ratio, in each of six States, exceeds the one for 1966. Individual State findings follow:

State	Aggregate ratio (%) 1966	1971	1976	State	Aggregate ratio (%) 1966	1971	1976
Alabama	19.7	18.3	10.7	New Mexico	19.2	25.1	17.1
Illinois	41.2	37.6	26.3	North Dakota	11.6	14.6	7.3
Indiana	24.5	22.7	14.9	Ohio	35.3	35.6	27.3
Kansas	18.8	20.0	12.2	Oklahoma	17.8	15.2	10.0
Louisiana	17.1	12.4	9.8	Pennsylvania	31.4	27.0	18.1
Maryland	43.6	46.9	37.2	South Dakota	37.3	36.3	26.1
Missouri	25.4	21.5	15.9	Tennessee	26.2	30.5	15.8
Montana	11.7	8.2	5.2	West Virginia	38.0	34.9	25.5
Nebraska	28.5	27.1	17.9	Wyoming	19.0	16.4	9.3

A similar decline in statewide results occurs among 18 out of 51 residential ratios and 26 out of 50 acreage ratios.

In the following summary of ratios for single-family houses and commercial-industrial properties, it is the latter group which now has fewer of the low ratios ("low" meaning below 30 percent of market value), in apparent conflict with other indications of burden shifts cited earlier:

Property use	States with aggregate assessment-sales price ratios below 30 percent 1966	1971	1976
Single-family residence	28	25	29
Commercial-industrial	29	26	23

For indications of de facto assessment levels in particular local jurisdictions, and the intra-area uniformity achieved at such levels, the Census Bureau calculates median assessment-sales price ratios and coefficients of intra-area dispersion, for all jurisdictions within the sample where representative, measurable sales are sufficient for statistical computations. In the 1977 survey there were enough sales in 1,569 local jurisdictions to support median ratio computations for single-family houses.

More than one-third of the jurisdictions show median ratios for 1976 of less than 20 percent. In 1971 the corresponding proportion was approximately one-fifth, while in 1966 it was about one-fourth. At the top end, however, there is discernible improvement. In 1966 slightly more than one-fifth of sample jurisdictions exhibited single-family houses ratios (i.e., de facto assessment levels) of 50 percent or more. The proportion remained about the same in 1971, but increased to somewhat more than one-fourth in 1976. Thus there appear to be more assessing jurisdictions at the lower and higher de facto levels than 10 years ago, and fewer places in the middle ranges.

In the Census of Governments studies, the median assessment-sales ratios serves as the basis for calculation of the coefficient of intra-area dispersion. This latter measure is the most widely accepted indicator of uniformity among assessed values within an assessing jurisdiction. The coefficient of intra-area dispersion is based on an ascending order of ratios for individual sales. It expresses as a percentage the result of dividing the mean of deviations (disregarding signs) from the median ratio, by that median ratio. The lower the percentage, the more uniform are the assessments being measured. Thus, a coefficient of 10 percent indicates more uniform assessments than does one of 20 percent. The latter would mean that any given assessment in the jurisdiction might be 20 percent higher or 20 percent lower than the assessed value involved in the median ratio.[12]

Findings for single-family houses indicate substantially less uniformity in 1976 than at any time since 1961, for assessing units in all categories except those in less populous areas. Among local jurisdictions with a sufficient sales sample, only four out of ten show coefficients of intra-area dispersion for 1976 of less than 20 percent. This result represents a decrease of 13 percent and 20 percent from corresponding results five and ten years earlier, respectively. A decline in proportion of assessing units able to attain a coefficient as low as 20 percent commands attention, since 20 percent, long deemed the minimum acceptable for uniform assessing, is often now described as too high. Today many assessors think 15 percent a reasonably attainable goal for single-family houses. Slightly more than one-fifth of the 1,569 assessing units penetrated below 15 in the 1976 survey, compared with one-fourth in 1971, and almost three out of ten in 1966. As if to underscore the retrogression, that same proportion, 3 out of 10, describes the number of jurisdictions with median coefficients of 30 percent or more in 1976. Assessed values that can vary by plus or minus 30 percent from a median are hardly uniform.

Nationwide, the median area coefficient stands at 22 percent for 1976, up from 20.2 percent five years earlier. Connecticut with 12.1 percent has the lowest, while Wyoming is highest at 48.9 percent. Connecticut was also lowest (13.7 percent) in 1971, and North Dakota highest (40.5 percent). Thirteen States in addition to Connecticut have 1976 median area coefficients below 20 percent: California, Colorado, Florida, Hawaii, Iowa, Kentucky, Maryland, Massachusetts, Michigan, New Hampshire, Rhode Island, Virginia, and Wisconsin.

In the three most recent Census surveys (for 1966, 1971, and 1976) only seven States (California, Connecticut, Maryland, Massachusetts, New Hampshire, Rhode Island, and Wisconsin) appeared each time among the ten with the most uniform single-family house assessments, as indicated by coefficients of intra-area dispersion. The listing of States and coefficients follows (dispersion coefficients in percent):

1966	1971	1976
Connecticut, 12.3	Connecticut, 13.7	Connecticut, 12.1
Florida, 14.2	Nevada, 14.2	Massachusetts, 15.0
Rhode Island, 14.2	Oregon, 14.3	Maryland, 15.3
Massachusetts, 14.6	Massachusetts, 14.5	Wisconsin, 15.5
New Hampshire, 14.8	Wisconsin, 14.5	Michigan, 15.7
California, 15.1	New Jersey, 15.2	California, 17.1
Maine, 15.6	Kentucky, 15.7	Virginia, 17.1
Kentucky, 15.8	California, 16.3	New Hampshire, 17.6
Virginia, 15.8	Maryland, 16.5	Iowa, 18.6
Ohio, 16.2	New Hampshire, 17.2	Colorado, 18.9
Wisconsin, 16.2	Rhode Island, 17.6	Rhode Island, 19.4
Georgia, 16.9		
Maryland, 16.9		
New Jersey, 18.1		

There are some ironies. Connecticut, in first position, has not yet exhibited de facto levels that even approach legally prescribed standards. California, among the ten most uniform each time, provided the setting for Proposition 13. Massachusetts, also always among the first ten for uniform single-family assessments, has opted for classification as a response to the Sudbury decision, with initial application generally delayed till July 1, 1980.[13] Oregon, with a full value statute since 1968, dropped from 3rd in 1971 to 14th in 1976. Hawaii, where assessment administration is a State responsibility, has not yet appeared among the ten most uniform.

One dramatic finding in the 1976 survey is the extreme variation in coefficients of intra-area dispersion for vacant platted lots. They range from 8.1 percent for Madison County, Missouri (St. Louis metropolitan area) and 9.3 percent for Milwaukee, to well over 100 percent. Such results would seem to add volatility to underassessment as likely characteristics of land assessed values.

Limits

Our attention above to revenue, base, burden, and assessment performance reflects awareness of what has been called the "most important recent development in...public finance" at State and local government echelons--the surging effort to limit local taxing and spending.[14] The most famous such endeavor, thus far, is Proposition 13, added to the California constitution by citizen initiative after approval by the voters on June 6, 1978.

Proposition 13 limits the amount of ad valorem tax on realty to one percent of a basic full cash value, the latter being the assessor's determination of such value as of the 1975 lien date (March 1), or the appraised value on subsequent purchase, new construction, or change in ownership. Any annual increases thereafter are limited to no more than 2 percent of the basic full cash value.[15]

In addition to the property tax limitation, Proposition 13 also prevents State tax increases unless there is approval for such by a two-thirds vote in each house of the Legislature. On the local level, there is a similar requirement for approval by a two-thirds vote of the local governing body before any tax other than a property tax can pass.

In the present tax environment, property tax and other limits can have profound definitive effects, or simply add to the imponderables. Reverberations of Proposition 13 will resound for some time, in part because its causative influence on fiscal voids may well have been obscured by disbursals from an abundant State surplus.

Generally limits on local governments can take any one of several forms, or some combination thereof. One is a control directly on expenditures, usually in the form of a percentage related to previous year's expenditures.

One example is the New Jersey provision which, for municipalities with a general purpose levy exceeding 10 mills, and for all counties, limits any increase in appropriations, subject to specified exceptions, to 5 percent of previous year's total, in the absence of voter approval. California voters added one in November 1979 by approving the Gann initiative (Proposition 4). This provides that, effective for 1980-81, annual appropriations of the State and each local government may not exceed a limit based on previous year's total, adjusted for changes in cost of living, population, and other specified factors. In some States the limits apply to specific expenditures.[16]

Limits related to property taxes only are commonly of three types: assessment, rate, and levy.

Proposition 13's 1975 base year plus 2 percent formula exemplifies the "acquisition value" kind of assessment limit criticized by assessors, economists, and others as inimical to the equity implications perceived to be inherent in an areawide market value standard. Idaho also uses a base year acquisition value approach as part of the one percent of market value rate limit approved November 7, 1978. The base year is 1978, even for property built or acquired after 1978. On January 1, 1980, Idaho will no longer use 20 percent of market value as its assessed value standard.

In Minnesota, where the assessment increase limit had been the greater of 10 percent of previous year's assessed value or one-fourth of total increase, the legislature has retained 10 percent but changed the alternate measurement to one-half the total increase, effective with 1979 assessments.

Tax rate limits exist in approximately 38 States. Usually expressed as percentages of assessed value, rate limits are "overall" if applicable to all taxing districts in which the property is located, a circumstance present in about 13 States. Rate limits are "specific" if application is limited to individual jurisdictions. Thus, the county may have a 9 mill limit, municipalities a 15 mill limit, and school districts a 20 mill limit. More than a dozen States in the United States have overall limits.

In any rate limit situation, the maximum legal levy will be the product of the rate limit times the legal assessment standard. If the latter is full value and the de facto level lies below it, any current effective maximum rate will be less than the legal limit.

A levy limit, the third type, prevents stated percentage excesses over the levy for the previous year. Frequently such percentages, among the 22 States involved, range between 5 and 10 percent. Florida and Hawaii allow no increases, while some Minnesota school districts associate the maximum increase with an inflation index.

Levy limits are generally regarded as preferable to the others. A fourth alternative, even more favored, is a "full disclosure" law, now a feature in approximately 13 States. This kind of legislation makes necessary the publication of full information about tax base increases, and about proposed levy and rate changes, and expenditure plans. Significantly, the public is provided a procedure for affecting ultimate decisions before they become final.

Levy limits and full disclosure requirements overcome the disadvantages usually associated with expenditure limits, assessment freezes, and rate limits. Such disadvantages include bonding capacity jeopardy, difficulties encountered in financing State-induced cost increases, and diminished political accountability of local governments.

Concluding Comments

What the foregoing reveals is an assortment of dynamics influencing and influenced by a still predominant, proportionately moderated, primary local revenue source. Market value and price levels increase in response to inflationary and other stimuli. Public spending at least keeps pace, to judge by now impressive magnitudes of individual tax bills as percentages of personal income,[17] whatever their dampened relationships to realty sales prices. The tax base expands and shrinks, growing inexorably in money terms but still eroding in coverage as it always has, if anything more swiftly now than in days of earlier traditions. Mysteries about tax base composition are penetrated slightly, but remaining obscurities bedevil attempts to analyze respective burdens. In part this results from better assessing, which still coexists with its substandard converse. In part the cause may well be intrinsic differences in value-contributing components of composite property worth.

One consequence of the total mix is an aroused public, very sensitive to what it pays, in the framework of frequent unhappiness with what it receives. Providing enough money for public purposes retains endorsement as prudent public policy, but now subject to a pervasive consensus that there are limits to taxing and spending. For its part, the voting public has resolutely identified certain limits and insisted on their enactment, quite willing to ignore or leave to subsequent analysis the question of their efficacy and compatibility with the general welfare. This possible surrender of fiscal prudence to callous frugality can easily undermine effective public policy, especially in any setting where a neglected societal woe outlives the question.

Table 1. State and Local Property Tax Revenue, and Average Local Nominal Property Tax Rates, by State, Years Indicated
(Dollar amounts in millions)

Area	1966-67			1976-77			1978		
	Property taxes		Average local nominal rate (percent)1/ (3)	Property taxes		Average local nominal rate (percent)1/ (6)	Property taxes3/		
	State (1)	Local (2)		State (4)	Local2/ (5)		State and local (7)	State (8)	Local (9)
United States	$861.5	$25,185.7	5.2	$2,259.8	$60,267.4	5.1	$66,446.8	$2,364.3	$64,082.1
Alabama	20.1	100.1	3.1	34.1	191.6	3.2	259.7	53.9	205.8
Alaska	-	21.1	1.6	409.8	126.6	1.4	325.5	173.2	152.3
Arizona	43.3	195.0	8.7	129.8	624.6	9.4	801.7	136.2	665.5
Arkansas	0.6	101.8	5.6	1.7	230.8	6.7	257.5	2.1	255.4
California	194.3	3,811.1	9.0	439.4	9,618.2	11.5	10,972.1	535.7	10,436.4
Colorado	1.1	309.6	7.3	2.4	816.2	8.1	841.5	2.6	838.9
Connecticut	-	511.2	3.7	-	1,281.3	4.9	1,351.5	-	1,351.5
Delaware	0.3	35.0	2.0	-	78.2	2.4	85.0	-	85.0
District of Columbia	-	93.0	2.6	-	165.8	1.9	197.8	-	197.8
Florida	23.6	630.5	2.5	68.6	1,725.4	1.7	1,961.1	70.5	1,890.6
Georgia	2.1	319.3	5.4	9.9	961.2	3.8	985.1	7.9	977.2
Hawaii	-	61.0	2.0	-	149.2	1.5	155.4	-	155.4
Idaho	0.6	74.8	8.4	0.2	173.9	10.3	188.6	0.2	188.4
Illinois	2.0	1,586.2	3.4	4.8	3,537.7	6.1	3,658.9	4.1	3,654.8
Indiana	15.8	696.6	7.3	23.6	1,247.1	8.6	1,318.6	23.7	1,294.9
Iowa	3.6	459.6	7.4	0.1	846.1	1.9	878.6	0.1	878.5
Kansas	8.6	351.9	7.1	15.4	677.6	8.3	785.3	16.6	768.7
Kentucky	22.8	159.4	1.0	43.4	346.7	1.1	421.7	147.4	274.3
Louisiana	19.2	177.2	4.8	0.1	377.6	6.6	387.0	0.03	386.97
Maine	3.2	119.6	3.9	14.3	246.2	2.9	316.0	18.8	297.2
Maryland	21.3	461.7	3.6	72.4	1,005.2	3.5	1,164.3	80.4	1,083.9
Massachusetts	0.3	1,038.6	7.2	0.6	2,837.6	8.1	3,013.7	0.5	3,013.2
Michigan	81.0	1,109.4	5.4	117.7	2,874.8	5.2	3,198.8	123.4	3,075.4
Minnesota	41.2	582.2	23.1	3.1	1,077.0	7.7	1,205.8	3.8	1,202.0
Mississippi	3.5	124.2	8.1	3.6	278.8	10.3	307.7	4.4	303.3
Missouri	5.6	484.4	5.1	4.5	929.4	6.5	948.1	4.6	943.5
Montana	5.1	114.1	13.8	15.6	259.2	18.6	308.6	16.3	292.3
Nebraska	44.7	237.1	5.5	2.9	567.0	9.0	547.2	3.1	544.1
Nevada	2.4	64.0	4.3	22.1	159.7	4.5	207.9	27.1	180.8
New Hampshire	2.7	109.4	4.6	6.2	320.3	4.3	342.9	6.7	336.2
New Jersey	-	1,275.6	4.5	80.5	3,408.0	4.3	3,493.9	81.2	3,412.7
New Mexico	12.7	48.5	3.4	16.1	118.5	3.7	149.0	19.9	129.1
New York	7.4	3,311.1	6.5	24.2	8,038.0	10.2	8,313.0	22.8	8,280.2
North Carolina	17.9	280.5	2.1	38.0	733.9	1.1	836.8	39.3	797.5
North Dakota	2.3	88.6	12.8	2.6	143.6	19.5	156.3	2.6	153.7
Ohio	53.4	1,297.5	3.8	108.3	2,446.7	4.1	2,632.2	119.6	2,512.6
Oklahoma	-	206.7	6.8	-	383.9	7.7	385.6	-	385.6
Oregon	1.5	298.2	8.6	0.1	855.2	2.4	891.6	0.1	891.5
Pennsylvania	1.9	1,087.3	6.3	62.5	2,304.9	9.1	2,615.9	69.6	2,546.3
Rhode Island	-	121.6	3.9	5.7	294.8	4.8	337.2	5.6	331.6
South Carolina	1.3	107.0	10.3	4.8	363.9	18.2	444.2	5.0	439.2
South Dakota	-	114.6	4.8	-	210.7	5.3	222.3	-	222.3
Tennessee	-	240.5	4.9	-	608.5	5.3	639.6	-	639.6
Texas	56.9	1,064.5	6.5	42.8	2,945.1	7.3	3,377.5	44.6	3,332.9
Utah	11.6	112.3	7.3	0.2	242.8	7.6	266.9	0.2	266.7
Vermont	0.3	53.4	8.3	0.3	157.1	6.3	172.0	0.2	171.8
Virginia	10.7	310.9	3.2	22.1	975.4	3.1	1,092.1	22.0	1,070.1
Washington	58.8	282.5	5.8	303.2	634.2	1.2	1,080.9	349.2	731.7
West Virginia	0.3	106.4	2.2	0.9	206.6	2.3	223.6	0.6	233.0
Wisconsin	46.1	586.8	3.9	91.9	1,306.9	3.3	1,525.2	100.9	1,424.3
Wyoming	9.3	51.1	4.4	9.0	157.3	6.3	197.4	17.6	179.8

Notes - 1) Average local nominal rate is the quotient resulting from dividing the local property tax revenue by the net amount of assessed value subject to tax (after deduction of partial exemptions). For each State the amount of local property tax revenue is shown in column 2 for 1966-67 and column 5 for 1976-77. The net amount of assessed value subject to tax is the gross assessed value for all taxable property shown in table 3 of this paper, for 1966 and 1976, respectively, reduced by the amount of any applicable partial exemptions, in 31 States. For the specific amounts of partial exemptions in each of the 31 States, see Volume 2 of the Censuses of Governments for 1967 and 1977, table 2 in each volume.

2) Figures in column 5 are census-based, taken from Compendium of Government Finances, Volume 4, Number 5, 1977 Census of Governments, table 47. This must condition any comparison with fiscal 1978 local property tax revenues shown in column 9, which are sample-based, taken from materials in forthcoming Governmental Finances for 1977-78, GF7, No. 5. Estimated 1976-77 local property tax revenue ($ million) shown below for States marked with an asterisk (*) are taken from sample-based Governmental Finances for 1976-77 (GF77, No. 5), differ by more than $5 million from corresponding amount shown in column 5, and are more directly comparable with corresponding 1977-78 amount shown in column 9:

Alabama	$ 186.0	Indiana	$1,270.1	Nebraska	$ 554.0
Arizona	598.1	Iowa	837.1	New Jersey	3,350.3
California	9,585.7	Louisiana	388.6	New York	8,009.6
Florida	1,715.1	Maryland	1,026.3	Ohio	2,560.3
Georgia	946.9	Michigan	2,912.1	Oklahoma	378.8
Illinois	3,571.7	Missouri	922.6	Oregon	838.7
				Wisconsin	1,297.6

3) Local property tax revenue figures for 1977-78 are preliminary. Average local, nominal rates are not available. Also, the local figures in column 9 are sample-based, for forthcoming publication in Governmental Finances for 1977-78.

Sources: Censuses of Governments for 1967 and 1977, Volume 2 and Volume 4, No. 5, of each; State Government Tax Collections in 1978, GF78, No. 1, U.S. Bureau of the Census, January 1979, table 3; unpublished preliminary schedule of State and local property tax revenues, November 1979.

Table 2. Relationships of Property Taxes and Intergovernmental Revenue, Selected Local Areas or Groups Thereof, Years Indicated

	1966-67						1976-77					
	Number	Property taxes			Intergovernmental revenue		Number	Property taxes			Intergovernmental revenue	
		Revenue ($ million)	Percent of		Revenue ($ million)	Percent of revenue from all sources		Revenue ($ million)	Percent of		Revenue ($ million)	Percent of revenue from all sources
			Revenue from all sources	Tax revenue					Revenue from all sources	Tax revenue		
All municipalities	18,048	7,351	38.1	70.0	5,081	26.3	18,861	15,629	25.8	60.1	23,998	39.7
1,000,000 or more	5	2,061	33.2	60.6	2,068	33.3	6	4,383	22.8	51.5	8,427	43.8
500,000 to 999,999	17	1,024	38.0	69.9	785	29.1	18	1,821	23.5	56.6	3,440	44.4
300,000 to 499,999	22	502	34.1	67.9	367	24.9	22	910	20.1	53.4	1,841	40.6
100,000 to 299,999	86	901	42.5	76.9	484	22.8	117	2,360	29.1	67.8	3,197	39.4
50,000 to 99,999	184	868	45.9	79.7	435	23.0	230	1,852	33.4	71.8	1,868	33.6
Less than 50,000	17,734	1,996	40.7	76.6	942	19.2	18,468	4,304	27.9	65.6	5,226	33.9
New York City	-	1,522	32.6	62.3	1,771	37.9	-	3,271	22.8	54.2	6,790	47.4
Chicago	-	196	41.6	62.8	94	20.0	-	320	26.0	48.8	424	34.5
Los Angeles	-	131	35.0	55.0	52	13.9	-	299	25.8	50.8	314	27.1
Philadelphia	-	108	28.1	42.4	61	15.9	-	174	14.4	26.7	396	32.6
Detroit	-	105	34.9	68.2	89	30.0	-	168	18.7	50.9	441	49.2
Houston	-	61	62.9	88.4	6	6.2	-	151	36.7	62.2	63	15.3
All counties	NA	5,253	42.1	92.1	5,020	40.3	3,042	13,065	31.3	81.4	18,816	45.1
500,000 or more	NA	NA	NA	NA	NA	NA	63	6,140	35.1	81.5	7,661	43.7
250,000 to 499,999	NA	NA	NA	NA	NA	NA	74	1,732	31.9	80.6	2,398	44.2
150,000 to 249,999	306	NA	NA	NA	NA	NA	96	1,057	30.2	83.8	1,635	46.6
100,000 to 149,999	NA	3,874*	49.0	NA	3,019	38.2	110	683	27.8	79.6	1,151	46.9
50,000 to 99,999	327	548*	38.9	NA	631	44.8	336	1,182	25.1	76.4	2,237	47.6
25,000 to 49,999	568	509*	37.6	NA	608	45.0	596	992	25.6	80.7	1,802	46.4
10,000 to 24,999	1,033	519*	40.4	NA	565	44.0	981	838	27.6	85.9	1,445	47.7
Less than 10,000	815	253*	48.7	NA	197	38.0	786	439	35.9	89.2	486	39.8
All school districts	23,390	-	-	-	-	-	16,501	26,435	33.4	97.5	38,918	49.2
Independent dists.	21,782	10,634	46.9	98.4	10,064	44.3	15,115	26,435	42.1	97.5	31,501	50.2
Dependent districts	1,608	-	-	-	-	-	1,386	7,933**	48.5**	-	7,417	45.3
Special districts	21,264	589	21.5 15.5***	-	635	23.2 16.8***	-	1,565	13.8 10.9***	91.1	4,332	38.2 30.1***

- Not applicable.
NA Not available.
* - Includes all taxes, most of which are property taxes. Property tax component not separately available.
** - Contribution from parent government.
*** - Percentage of total revenue.

Sources: U.S. Bureau of the Census, 1967 Census of Governments: Volume 4, No. 3, Finances of County Governments, June 1969, p. 21; Volume 4, No. 4, Finances of Municipalities and Township Governments, July 1969, p. 32; Volume 4, No. 1, Finances of School Districts, May 1969, table 1; Volume 4, No. 2, Finances of Special Districts, August 1969, table 1.
1977 Census of Governments: Volume 4, No. 3., Finances of County Governments, May 1979, p. 24; Volume 4, No. 4, Finances of Municipalities and Township Governments, May 1979, tables 16 and 22; 4, No. 1, Finances of School Districts, March 1979, pp. 1, 7, 10, 11; Volume 4, No. 2, Finances of Special Districts, pp. 2, 9, and 11.

Table 3. Gross Assessed Values, All Property, Ratios and Approximate Market Values, Ordinary[1] Realty, Periods Indicated: By State

(dollar amounts in millions)

Area	1966					1976					1978	
	Gross assessed value			Size[2] weighted ratio, percent	Ordinary real property, approximate market value	Gross assessed value			Size[2] weighted ratio, percent	Ordinary real property, approximate market value	Gross assessed value	
	All taxable property	Locally assessed realty				All taxable property	Locally assessed realty				All taxable property	Locally assessed realty
		Total	Ordinary real property				Total	Ordinary real property				
United States	$498,962	$393,193	$290,043	30.8	$ 942,652	$1,229,121	$992,528	$778,437	31.0	$ 2,511,762	$1,509,731	$1,211,373
Alabama	4,066	2,303	1,989	14.9	13,332	6,066	2,982	2,403	10.8	22,300	8,239	4,249
Alaska	1,300	1,065	820	77.5	886	9,192	5,265	4,844	67.2	7,208	20,403	8,077
Arizona	2,373	1,452	1,033	15.4	6,725	6,690	3,732	3,086	11.7	26,288	8,019	4,647
Arkansas	1,804	1,057	937	9.8	9,513	3,437	1,973	1,812	8.6	21,107	3,852	2,189
California	43,188	33,508	23,209	18.7	124,370	93,773	76,377	58,165	17.2	337,266	114,114	92,711
Colorado	4,232	3,180	2,470	24.6	10,027	10,111	8,143	5,865	16.8	34,927	11,587	9,148
Connecticut	14,173	11,004	8,877	50.9	17,430	26,397	21,356	17,206	42.1	40,902	30,299	24,585
Delaware	1,738	1,738	1,196	45.6	2,333	3,343	3,343	2,405	31.9	7,543	3,791	3,791
District of Columbia	3,538	3,028	1,606	42.2	3,808	8,658	8,190	5,035	68.0	7,407	11,229	10,685
Florida	31,239	26,928	22,487	61.3	36,682	110,931	94,913	79,119	59.4	133,293	146,031	120,145
Georgia	7,310	4,658	3,995	24.3	16,453	27,492	18,865	15,444	30.8	50,199	32,114	21,672
Hawaii	3,409	3,409	2,372	55.8	3,814	11,639	11,639	6,878	43.0	15,984	13,627	13,627
Idaho	909	527	381	10.4	3,216	1,702	1,197	1,055	9.1	11,594	2,404	1,826
Illinois	39,848	31,072	23,545	39.3	59,931	58,076	49,372	37,852	26.0	145,683	61,938	51,311
Indiana	10,182	6,412	5,292	23.4	22,659	15,344	10,101	7,747	14.8	52,223	17,180	11,319
Iowa	6,347	4,793	4,333	21.8	19,886	45,019	38,495	34,861	70.0	49,819	56,363	49,192
Kansas	4,953	2,873	2,665	16.8	15,903	8,204	4,333	3,850	12.3	31,409	9,765	4,652
Kentucky	16,320	11,811	10,618	77.0	13,798	33,767	24,083	21,437	72.0	29,778	40,622	28,633
Louisiana	4,709	2,314	1,924	15.3	12,539	7,383	3,494	2,834	9.6	29,638	7,212	3,439
Maine	3,088	2,479	1,933	50.1	3,855	8,605	7,642	6,917	53.5	12,922	13,078	11,529
Maryland	12,975	10,091	7,849	43.2	18,190	28,724	23,312	19,246	36.6	52,611	32,898	26,882
Massachusetts	14,979	13,817	11,474	43.7	26,229	35,087	32,430	25,881	42.3	61,120	42,512	39,008
Michigan	20,488	15,724	10,017	28.7	34,914	55,462	47,923	37,510	40.6	92,285	64,870	56,315
Minnesota	2,517	2,000	1,614	10.6	15,243	14,002	13,218	11,259	21.5	52,271	14,598	14,182
Mississippi	2,007	1,063	897	10.8	7,598	3,582	1,904	1,774	9.6	18,544	3,966	2,048
Missouri	9,548	6,465	5,130	23.9	21,466	14,332	9,597	8,050	15.7	51,444	16,285	10,414
Montana	824	409	339	8.7	3,908	1,392	605	537	5.3	10,085	1,561	722
Nebraska	4,333	3,160	2,524	25.1	10,043	7,015	4,871	4,500	18.6	24,147	7,471	5,783
Nevada	1,631	1,213	764	23.6	3,235	3,576	2,576	1,870	20.8	8,990	5,550	4,266
New Hampshire	2,431	2,254	1,926	48.6	3,417	7,444	7,432	6,416	58.9	10,896	9,617	9,602
New Jersey	28,431	26,767	21,673	60.9	35,611	78,562	76,977	59,921	67.6	88,586	88,715	87,044
New Mexico	1,594	789	638	15.6	4,099	3,551	2,348	1,990	17.1	11,642	4,169	2,698
New York	53,633	51,469	24,904	34.6	71,970	82,940	79,430	43,287	27.2	159,214	87,977	83,948
North Carolina	13,621	9,325	7,759	38.2	20,334	64,804	38,867	32,908	63.6	51,719	72,780	43,824
North Dakota	693	472	452	11.0	4,118	739	672	631	6.5	9,707	809	740
Ohio	33,936	21,582	17,004	34.3	49,577	60,257	39,545	34,423	27.3	126,084	62,807	41,732
Oklahoma	3,608	2,209	1,871	14.2	13,161	5,680	3,408	3,118	9.9	31,384	6,428	3,888
Oregon	3,534	2,663	2,128	18.9	11,236	37,640	29,653	23,862	71.5	33,384	50,680	40,265
Pennsylvania	17,336	17,336	13,582	31.1	43,695	25,203	25,203	20,426	17.9	114,347	26,522	26,522
Rhode Island	3,253	2,511	2,063	55.3	3,730	6,253	4,912	4,179	43.7	9,556	7,479	5,919
South Carolina	1,037	416	259	4.6	5,592	1,998	1,203	812	3.3	24,762	2,158	1,354
South Dakota	2,393	1,678	1,604	34.3	4,681	3,946	2,838	2,748	25.6	10,741	4,678	3,828

Table 3. Gross Assessed Values, All Property, Ratios and Approximate Market Values, Ordinary[1/] Realty, Periods Indicated: By State (Continued)
(dollar amounts in millions)

Area	1966					1976					1978	
	Gross assessed value			Size-[2/] weighted ratio, percent	Ordinary real property, approximate market value	Gross assessed value			Size-[2/] weighted ratio, percent	Ordinary real property, approximate market value	Gross assessed value	
	All taxable property	Locally assessed realty				All taxable property	Locally assessed realty				All taxable property	Locally assessed realty
		Total	Ordinary real property				Total	Ordinary real property				
Tennessee	$ 4,942	$ 3,893	$ 2,854	21.1	$ 15,534	$ 11,397	$ 8,774	$ 6,520	16.2	$ 40,133	$ 12,742	$ 10,080
Texas	16,366	12,330	6,938	15.6	44,541	41,517	33,351	17,126	13.8	123,763	56,995	45,330
Utah	1,541	804	645	14.4	4,017	3,213	1,844	1,734	13.1	13,277	4,661	2,934
Vermont	640	561	454	27.5	1,646	2,488	2,277	1,974	31.8	6,214	5,723	5,226
Virginia	9,834	7,284	5,411	27.4	19,749	29,581	23,104	19,537	32.8	59,567	69,255	56,452
Washington	4,898	3,672	3,006	14.7	20,399	51,643	40,654	33,116	64.2	51,573	66,944	53,591
West Virginia	4,915	2,510	2,096	37.5	5,590	9,204	3,929	3,442	25.4	13,548	11,594	5,218
Wisconsin	15,123	12,725	10,173	49.2	20,662	39,571	33,580	30,252	49.3	61,368	52,117	43,425
Wyoming	1,175	391	315	17.4	1,608	2,489	598	563	10.1	5,558	3,303	706

FOOTNOTES:

[1/] Ordinary realty (ordinary real property) - refers to all types of real property except that locally assessed at more than an amount which, in the light of the applicable aggregate ratio for less valuable properties, has an indicated market value, in 1966, of more than $250,000, and in 1976, of more than $750,000. Note that approximate market values are presented for ordinary realty only.

[2/] The size-weighted aggregate assessment-sales price ratio is derived as follows: Assessed values are arranged within distinct assessed value size classes for the property use category. Then, for each size class, the statewide amounts of assessed value are divided by the aggregate assessment ratio for sold properties of the same use category and assessed value size. Next, the results for each size class are summed to a statewide total for the use category. Finally, the statewide aggregate assessed value is divided by the corresponding statewide market value indication which the above summation produced.

SOURCES:

Taxable Property Values, Vol. 2, 1967 Census of Governments, pp. 9, 30, 31, 32, and 42-47; Taxable Property Values and Assessment/Sales Price Ratios, Vol. 2, 1977 Census of Governments, pp. 15, 44, 45, 46, and 59-65.

Table 4. Percentage distribution of gross total assessed value of locally assessed taxable realty, by property use category, by State: 1966 and 1976

State	Percent of Total											
	Residential				Acreage		Vacant platted lots		Commercial		Industrial	
	Total		Single-family only									
	1966	1976	1966	1976	1966	1976	1966	1976	1966	1976	1966	1976
United States	60.1	59.2	50.0	49.9	11.0	11.9	2.6	3.8	15.3	16.7	9.4	7.4
Alabame	57.0	61.8	54.6	58.2	17.3	8.1	1.7	1.6	14.2	18.5	9.5	9.5
Alaska	58.9	47.3	45.5	40.9	6.1	5.6	6.0	14.3	24.6	26.8	3.9	6.0
Arizona	68.4	56.6	63.5	47.5	6.9	6.1	3.6	8.8	12.0	21.4	9.1	7.2
Arkansas	42.5	53.9	41.0	50.2	34.8	24.1	3.2	2.9	12.1	15.4	4.9	3.5
California	60.8	65.2	48.5	53.3	9.6	6.9	3.7	4.3	14.0	13.7	9.0	8.3
Colorado	59.2	56.0	53.0	50.1	12.5	8.8	1.6	3.6	18.3	22.1	6.6	6.1
Connecticut	73.4	71.9	68.5	61.9	2.5	1.4	1.8	2.3	14.3	16.0	7.9	8.3
Delaware	65.6	63.6	59.6	57.3	7.8	8.2	2.0	3.2	14.3	16.5	10.0	8.5
District of Columbia	59.6	63.0	34.6	45.9	-	-	5.3	4.8	28.4	32.1	2.7	0.1
Florida	62.4	61.0	55.9	50.0	13.1	11.5	6.3	8.1	14.7	15.5	3.3	3.4
Georgia	60.6	54.5	56.2	48.6	15.6	20.9	2.2	3.7	15.0	17.5	6.3	3.4
Hawaii	59.5	59.2	47.5	39.6	4.3	4.1	9.5	9.6	16.3	20.4	10.4	6.6
Idaho	29.1	44.8	28.6	43.4	34.6	33.8	1.4	3.6	11.0	13.0	21.5	4.7
Illinois	55.9	53.2	43.8	42.1	17.6	15.4	2.1	2.7	11.2	16.5	12.3	12.1
Indiana	57.0	56.8	54.9	53.7	20.3	19.7	2.1	2.2	10.3	13.3	10.0	7.9
Iowa	38.8	37.4	37.7	35.9	46.7	48.2	0.8	0.7	8.4	10.0	5.1	3.7
Kansas	41.4	45.8	40.0	42.1	44.8	37.9	1.0	1.2	8.7	11.9	3.3	3.1
Kentucky	54.5	53.6	52.6	51.3	27.3	26.5	1.2	1.7	11.6	13.5	4.9	4.3
Louisiana	63.5	64.1	56.3	55.4	8.7	8.3	2.8	3.4	18.5	19.5	6.1	4.6
Maine	64.3	66.0	58.4	58.7	2.4	6.6	1.6	2.3	16.4	15.3	14.2	9.5
Maryland	71.0	72.3	62.5	63.7	7.0	4.8	1.6	4.0	12.7	14.1	7.0	4.7
Massachusetts	69.5	72.1	60.9	59.7	1.3	0.8	2.3	2.8	19.0	16.6	7.7	7.8
Michigan	61.2	61.8	59.7	56.1	7.4	9.3	3.3	2.6	13.6	13.8	13.6	11.4
Minnesota	44.2	55.9	41.5	50.6	26.7	19.4	1.2	1.5	17.9	15.5	10.0	7.7
Mississippi	45.5	56.5	44.7	52.8	36.0	22.7	2.3	3.8	11.1	14.5	4.8	2.3
Missouri	57.5	57.2	52.1	50.3	17.2	16.0	1.6	3.7	15.3	16.9	8.3	6.1
Montana	41.7	44.8	38.7	42.3	34.1	29.4	1.2	2.8	14.0	15.4	9.0	7.3
Nebraska	38.1	34.3	35.8	31.1	49.6	48.8	1.0	1.3	9.0	12.4	2.0	3.1
Nevada	54.6	52.2	45.4	47.1	8.8	12.5	4.9	4.4	23.9	26.5	6.9	3.8
New Hampshire	69.6	67.4	64.7	59.3	2.5	5.4	1.6	1.3	15.2	14.0	9.9	11.9
New Jersey	71.0	69.6	64.3	58.7	2.6	2.0	2.5	4.0	14.6	13.5	9.2	10.9
New Mexico	61.3	55.0	60.0	50.7	17.1	9.2	6.1	10.9	12.7	17.6	2.6	4.5
New York	58.4	56.3	25.0	31.5	1.7	2.2	1.9	2.5	23.5	31.7	14.0	7.2
North Carolina	51.9	55.6	49.8	51.7	18.5	16.9	2.6	5.1	14.0	14.4	12.7	8.0
North Dakota	25.3	30.2	24.7	26.9	62.9	55.8	1.2	0.9	9.8	12.2	0.7	0.9
Ohio	64.9	62.4	60.6	56.6	9.7	12.0	2.5	3.4	12.4	14.2	10.0	7.8
Oklahoma	58.3	57.4	56.6	52.8	25.5	20.1	1.7	2.6	11.0	16.5	3.4	2.9
Oregon	53.0	52.2	49.6	47.5	22.0	18.6	1.7	4.0	13.3	14.6	9.6	10.3
Pennsylvania	65.7	66.9	59.3	59.4	4.4	3.9	1.5	1.8	17.5	18.9	10.2	7.7
Rhode Island	70.4	70.8	53.3	58.2	1.4	1.3	2.6	4.4	13.4	14.6	11.5	8.7
South Carolina	42.7	54.6	41.5	49.5	16.4	15.7	1.7	4.6	9.0	13.1	29.9	12.1
South Dakota	27.1	31.9	26.6	29.6	61.4	53.9	1.1	1.5	8.9	9.9	1.4	0.9
Tennessee	60.4	50.0	55.9	46.1	12.3	12.4	2.3	2.9	16.3	25.2	8.4	9.2
Texas	38.9	37.8	36.5	34.3	12.7	12.6	1.9	2.8	10.6	15.7	10.4	11.0
Utah	63.1	64.0	59.9	61.4	9.6	11.4	2.3	5.3	14.8	14.2	4.3	5.1

Table 4. Percentage distribution of gross total assessed value of locally assessed taxable realty, by property use category, by State: 1966 and 1976 (Continued)

State	Percent of Total											
	Residential				Acreage		Vacant platted lots		Commercial		Industrial	
	Total		Single-family only									
	1966	1976	1966	1976	1966	1976	1966	1976	1966	1976	1966	1976
Vermont	53.1	61.2	48.8	58.7	9.3	15.0	3.0	0.1	18.8	12.0	15.4	11.7
Virginia	65.3	64.6	57.0	54.0	8.7	8.9	2.6	4.0	17.3	16.7	5.0	5.8
Washington	57.1	53.3	53.1	47.0	16.7	16.5	3.6	4.9	14.1	17.7	8.0	7.4
West Virginia	56.9	62.1	55.2	59.6	14.6	10.6	2.0	2.7	12.3	15.1	11.3	7.2
Wisconsin	61.0	64.7	58.6	57.7	10.7	11.8	1.7	2.9	14.8	15.3	11.6	5.4
Wyoming	55.0	49.2	53.9	46.7	25.7	28.6	1.4	1.5	12.6	15.2	5.2	3.2

Note: For each year shown, the difference between 100 percent and the sum of the proportions shown constitutes the "other and unallocable" property use category.

Sources: Taxable Property Values, Volume 2, 1967 Census of Governments, table 5; Taxable Property Values and Assessment-Sales Price Ratios, Volume 2, 1977 Census of Governments, table 5.

Table 5. Percentage increase in gross assessed value of locally assessed realty, within each of selected use categories, and of locally assessed personalty, 1976 over 1966, by State

State	Increase (percent) for property category shown						
	All types of realty	Residential		Acreage	Commercial only	Commercial and Industrial	Personal property
		All residential	Single-family only				
United States	152.4	148.5	151.8	171.2	176.5	146.7	136.6
Alabama	29.5	40.4	37.9	(39.6)	69.1	53.4	77.7
Alaska	394.4	297.1	345.2	357.0	438.2	467.4	397.4
Arizona	157.0	113.0	92.3	126.7	358.0	248.9	62.2
Arkansas	86.7	137.0	128.1	29.3	137.5	108.9	100.2
California	127.9	144.4	150.8	65.0	122.4	117.8	133.9
Colorado	156.1	142.1	142.0	80.9	209.5	190.1	73.9
Connecticut	94.1	90.1	75.4	10.3	117.9	112.8	59.1
Delaware	92.3	86.4	84.9	202.2	121.7	97.4	-
District of Columbia	170.5	185.9	258.4	-	206.0	180.1	(8.4)
Florida	237.5	244.6	214.9	208.8	270.4	270.5	286.7
Georgia	416.7	263.8	250.1	442.2	371.1	296.1	194.4
Hawaii	241.4	240.3	185.1	221.6	328.3	246.2	-
Idaho	127.1	250.3	244.7	122.5	169.0	24.0	46.8
Illinois	58.9	51.0	52.6	38.6	135.1	93.5	(2.9)
Indiana	57.5	57.2	54.3	52.7	104.6	65.4	38.1
Iowa	703.2	673.4	664.5	728.6	854.3	715.1	222.7
Kansas	50.8	66.9	58.7	27.5	106.4	87.8	123.0
Kentucky	103.9	100.7	98.7	97.6	136.8	119.7	215.2
Louisiana	51.0	52.3	48.7	44.8	58.9	48.0	44.2
Maine	208.3	216.4	210.0	727.9	186.5	149.3	88.5
Maryland	131.0	135.5	135.4	59.2	156.5	120.8	(14.9)
Massachusetts	134.7	143.5	130.2	43.6	105.2	114.5	112.3
Michigan	204.8	208.0	197.1	282.3	208.5	182.4	58.2
Minnesota	560.9	736.1	705.4	379.4	472.8	450.6	(80.2)
Mississippi	79.1	122.8	111.3	13.1	134.7	88.8	85.2
Missouri	48.4	47.8	43.4	38.7	63.9	45.0	40.4
Montana	47.9	59.4	62.0	28.1	63.2	45.7	82.8
Nebraska	54.1	39.2	34.2	51.7	113.4	116.6	87.1
Nevada	112.4	103.2	120.5	204.7	135.2	108.8	181.3
New Hampshire	229.7	219.2	201.9	619.6	203.5	240.3	(93.2)
New Jersey	187.6	181.9	162.8	118.6	165.6	194.5	0.4
New Mexico	197.6	166.9	151.6	60.7	313.0	329.0	14.0
New York	54.3	48.8	94.4	98.0	108.1	60.2	-
North Carolina	316.8	345.9	332.9	281.3	329.2	249.7	394.0
North Dakota*	42.4	70.6	56.0	26.3	78.3	79.6	-
Ohio	83.4	76.2	71.3	126.9	109.7	80.4	611.0
Oklahoma	54.3	51.9	44.0	21.8	129.9	107.2	62.6
Oregon	1,013.5	997.8	967.6	840.6	1,122.4	1,111.3	933.9
Pennsylvania	45.4	48.1	45.8	29.2	57.0	39.9	-
Rhode Island	95.6	96.9	113.8	85.3	113.4	83.3	80.6
South Carolina	189.2	271.2	245.9	177.9	324.3	87.0	90.4
South Dakota	278.8	99.6	88.3	48.8	87.3	76.4	44.5
Tennessee	125.4	86.9	85.8	127.9	248.8	214.8	165.8
Texas	170.5	163.5	153.8	170.5	302.5	244.6	105.7
Utah	129.4	132.9	134.9	172.7	119.3	132.0	80.6

Table 5. Percentage increase in gross assessed value of locally assessed realty, within each of selected use categories, and of locally assessed personalty, 1976 over 1966, by State (Continued)

State	Increase (percent) for property category shown						
	All types of realty	Residential		Acreage	Commercial only	Commercial and Industrial	Personal property
		All residential	Single-family only				
Vermont	305.9	367.0	387.6	557.7	160.0	180.7	167.1
Virginia	217.2	213.7	200.5	224.3	205.0	219.5	197.7
Washington	1,007.1	935.8	880.1	997.1	1,289.6	1,257.1	806.4
West Virginia	56.5	70.9	68.9	14.2	92.9	48.2	131.1
Wisconsin	163.9	179.7	160.0	191.3	172.5	106.4	149.9
Wyoming	52.9	36.7	32.2	69.3	85.7	57.1	44.7

Notes: ( ) - Denotes decrease.
Vacant platted lots - Percentage changes not calculated because such changes, with respect to low basic magnitudes, risk distortions in resulting inferences affecting other reporting properties.
* - Most personal property in North Dakota exempt since 1970.

Sources: Calculated from assessed value distribution contained in Volume 2, Censuses of Governments for 1966 and 1976, respectively.

[1] Quarterly Summary of State and Local Tax Revenue, GT 79 No. 2, U.S. Bureau of the Census, Washington, D.C., October 1979, p. 1.

[2] GT 79, No. 2, op. cit., p. 5.

[3] Compendium of Government Finances, Volume 4, No. 5, Census of Governments, respectively for 1967 and 1977, U.S. Bureau of the Census, Washington, D.C., September 1969 and August 1979, table 4 in each volume.

[4] Real property means land and any improvements permanently attached, or so intended. The other kind of property is personal property, which means all property other than real property. Personal property (personalty) may be tangible ("touchable") or intangible (noncorporeal, usually deriving value only from what it represents).

[5] See Volume 2, 1977 Census of Governments, pp. 5 and 17; Volume 2, part 2, 1972 Census of Governments, p. 8; Volume 2, 1967 Census of Governments, p. 11, as revised in Errata Notice, February 13, 1969; Volume 2, 1962 Census of Governments, p. 11; Volume 5, 1957 Census of Governments, p. 11.

[6] For legal standards, as of 1976, conditioning the assessment of realty, personalty, and benefited use property, see Taxable Property Values and Assessment/Sales Price Ratios, op. cit., Appendix A, pp. 281-287.

[7] The States are Alabama, Arizona, Louisiana (at least nominally, effective January 1, 1978), Minnesota, Montana, South Carolina, and Tennessee.

[8] As some background, see "Is the American Dream Really Threatened?" by James R. Follain, Jr., and Raymond J. Struyk, in Real Estate Review, Vol. 8. No. 4, Winter 1979, pp. 65-70. The authors identify four groups as candidates for aid: low-income households, unmarried households, blacks, and central city residents.

[9] Significant Features of Fiscal Federalism, Advisory Commission on Intergovernmental Relations, Washington, D.C., 1979, p. 49. Quoted in "The Changing Shape of Property Tax Relief in the 1970's" by Steven D. Gold, Conference of Committee on Taxation, Resources, and Economic Development, Cambridge, MA, September 14, 1979.

[10] From Census reports and Consumer Price Index, U.S. Bureau of Labor Statistics, years indicated. See also Taxable Property Values and Assessment/Sales Price Ratios, op. cit., page 11.

[11] Taxable Property Values and Assessment/Sales Price Ratios, Volume 2, table 20, 1977 Census of Governments; Volume 2, part 2, table 12, 1972 Census of Governments; Volume 2, 1967 Census of Governments, table 21. See also the introductory text of each.

[12] In 1972 and 1977 the Census of Governments produced composite coefficients of intra-area dispersion, to adjust for variations in assessment complexity. The 1972 adjustment (for 1971 assessments) was based on population. In 1977 (for 1976 assessments) the adjustment was based on numbers of parcels.

[13] Town of Sudbury vs. Commissioner of Corporations and Taxation, 321 NE 2d 641 (1974). Classification legislation approved by the voters in November 1978, provides for the four categories of property, to be assessed at specified percentages of fair cash value as follows: I, residential, 40 percent; II, commercial, 50 percent; III, industrial or manufacturing, 55 percent; IV, open space, 25 percent; there is also provided an exemption equal to $5,000 of the taxable valuation of residential realty. Basic legislation (Chapter 580, Acts 1978) approved July 25, 1978. Subsequent amendment is provided in Chapter 578, Acts 1979, effective September 25, 1979. An exception to the implementation delay to July 1, 1980, can occur if a city council or board of selectmen approved implementation beginning July 1, 1979, with respect to an assessment roll certified by the Commissioner of Revenue as representing fair cash value assessment as of January 1, 1979.

[14] "Property Tax Limit Legislation: An **Evaluation**" by Robert J. Gloudemans, Richard R. Almy, and Stuart W. Miller, Assessors Journal, International Association of Assessing Officers, Vol. 14, No. 3, September 1979, pp. 129-154.

[15] The assessed value in California has been 25 percent of the above full cash value. On November 6, 1979, the voters approved a measure which increases that 25 percent assessment level to 100 percent of full cash value, effective with the 1981-82 fiscal year and thereafter. Conforming changes will become effective for veterans exemptions, homeowners exemptions, and homeowners and renters property tax assistance.

[16] For examples, see State Limitations on Local Taxes and Expenditures, Advisory Commission on Intergovernmental Relations, Washington, D.C., Report A-64, February 1977, chapters 2 and 3.

[17] Here again the mulifaceted nature of evidence "documenting" changes in taxing and spending can as easily bewilder as enlighten a public restive and critical about governmental spending but nevertheless receptive to what some term governmental largesse. It may be generally true, as one writer recently points out, that "on the average, property taxes declined as a fraction of personal income in all but eight States in the five years preceding the tax revolt." For some taxpayers, however, in some income ranges and in some places, it has been precisely the effect of property taxes on disposable income which, whatever its effect on public budgets, elevated blood pressures and the decibel level of public debate. See some of the conflicting evidence from the above writer in "Behind the 'Tax Revolt': A Shift of the Burden from Business to Homeowners" by Bob Kuttner, Washington Post, September 9, 1979. Note also, however, that people dependent on total governmental

spending (all levels) for a significant part of their income rose from 42 percent of the population in 1960 to 54 percent in 1977. The component, among those proportions, comprising State and local government employees, was 7.2 percent in 1960 and 9.4 percent in 1977. The Federal employee component declined. See "A Majority Wants High Government Spending" by A. Gary Shilling, Washington Post, December 16, 1979.

ALABAMA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Russell L. Chandler, CEIS Coordinator, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 75 percent of the State-local revenues for elementary and secondary public schools are provided by the State.
2. A one mill Statewide property taxes is levied by the counties and distributed to school districts on the basis of the census children 7-20 years of age.
3. Almost all of the State revenue distributed to school districts are provided by earmarked taxes assigned to the Special Education Trust Fund. These taxes are levied on the following: beer, tobacco, express companies, hydro-electric companies, insurance premiums, iron ore, leasing of property, store licenses, railroad companies, telephone companies, and taxes on income, lodging, sales, a use tax and utility tax.
4. Additional aid for public schools is provided through annual appropriations.
5. By a constitutional amendment approved by the voters in November, 1978, a system of property classifications was established for personal properties, utilities, farms and industries.

LOCAL SUPPORT

1. The State has 127 fiscally dependent school districts.
2. Between 60 and 70 percent of the local school revenues are derived from property taxes.
3. Local nonproperty taxes are levied by counties or districts as sales, beer, tobacco or occupations taxes and are dedicated for school purposes.
4. Districts are required to levy 3 mills and counties are required to levy 4 mills for full participation in the basic support program. These levies comprise the charge-back in the Minimum Program Fund.
5. Local governments may levy up to an additional 5 mill property tax for school purposes. Any additional school property taxes levied by counties or their school districts must be within the property tax rate limit in effect for all local government purposes.
6. A district's debt limit is limited to the projected available debt service revenues for a 30 year period.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $666,448,051 (100%)

BASIC SUPPORT PROGRAMS

MINIMUM PROGRAM FUND (Current expense, capital outlay, and debt service, grades 1-12) (Art. 3, Title 16, 1977 Code.) $556,560,334 (83.51%)

Teacher Salary Allowance . . . . Scheduled amount per staffed teacher unit ($371,632,822)

Teacher Preparation	Amount
2-3 years	$ 8,442
3-4 years	9,721
BA or BS	11,545
MA or MS	13,260
AA*	14,162

*2 years beyond Master's Degree

Hospital-Medical Insurance: $247.20 per teacher unit when used ($ 9,427,961)

Sick Leave: Amount paid up to $17 per day ($ 3,890,178)

Personal Leave: Maximum of two days per teacher unit at $17 per day, if used ($ 1,296,726)

Teacher Units: Grades 1-3.....one teacher unit for each 26.65 ADA
Grades 4-12....one teacher unit for each 28 ADA

A total of 31,736 teacher units are funded in the regular program, according to preliminary calculations.

Special Education . . . . .one unit for each approved special educational class ($ 25,550,000)

A total of 3,250 special education teacher units are funded

Board of Adjustments ($ 150,000)

Principal's supplement . . .$100 per teacher unit ($ 3,173,966)

Maintenance . . . . ($6,000,000)

Sick leave for support personnel ... ($800,000)

Insurance for support personnel . . . ($6,300,000)

Lunchroom workers' salary increase. . ($7,747,000)

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Calculated program cost minus:
.Required local share
.Receipts from Public School Fund

Local share: The amount is frozen at $4,676,485, which is equivalent to a 5-mill levy on the statewide property valuations of 1938. However, the share of this amount that each school district is required to raise is determined by a county index of tax-paying ability and is based on an index of county assessed valuations and a county economic index. Cities are included in their counties. This index is updated every two years.

The economic index is derived for each county and weighted as follows:

(a) county sales tax revenues x 6
(b) county auto license revenues x 5
(c) county tax revenues from public utilities x 3
(d) personal income taxes, by county x 1
(e) value of farm income, by county x 1
(f) value added by manufacturing, by county x 1

The sum of these amounts is divided by the total weights. The ratio of the county dollar valuation obtained to the State total constitutes the county's economic index.

An index of assessed valuation is derived from the latest available valuation data. The ratio of a county's assessed valuation to the State's total assessed valuation is the county's index of assessed valuation.

The calculation of these two indices when applied to the required statewide local revenue amount yield the amount to be raised by each county. This amount is prorated among the districts, including the cities located within a county.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Pupil Transportation ...... ($38,066,490) Regular students....average cost per pupil per day, including bus depreciation, based on 11 population density groups Special ed. students....actual cost of needed transportation up to the amount of approved contract. Of the transportation amount earmarked above, $700,000 is estimated to be the allocation for 1978-79 Tuition payments for pupils attending nonprofit private schools....... Primarily used for pupils in special education for whom a local public school is not available. Tuition and transportation costs equivalent to the amount paid per district public school child is provided in State funds and included above. Except under this circumstance--private school pupils may not be included in determining program amounts for this fund. Capital outlay and debt service.... ($2,058,951) $64.87 per teacher unit. This amount must be spent for capital outlay Fees..... $250 per elementary teacher $300 per high school teacher ($10,488,225) Other current expense... $2,204.75 per teacher unit ($69,978,015)	P.L. 874 funds distributed by the federal government may be included locally in meeting the local revenue requirement, but such funds are not specifically deducted. Extent of participation: All 127 school districts.
PUBLIC SCHOOL FUND (Constitution and Title 16, 1977 Code. Established by Constirution.) $20,000,000 (3.00%) Current expense grades 1-12 . . . . . . Proportion of school census children, 7-20 years of age, inclusive, for the State in the district. A school census of children 7-20 years of age must be taken every 4 years.	State share: 100 percent of calculated amount. Local share: None Extent of participation: All 127 school districts
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special education . . . . See Basic Support Program	
VOCATIONAL EDUCATION FUND (Ch. 37, Title 16, 1977 Code) $48,503,717 (7.28%) Amount of approved application for salaries for approved vocational education teachers as per State salary schedule for vocational teachers, plus allowance for travel and other expenses.	State share: State pays a percentage of calculated program amount as funds allow. Percentage payment is based on the State money shown plus federal funds for vocational education. Local share: All costs not covered by reimbursement. Extent or participation: All 127 school districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
ILLITERACY (Act No. 244, Special Session, 1965) $1,800,000 (0.27%)	State share: 100 percent of calculated program. Local share: None Extent of participation: 96 school districts
DRUG EDUCATION $ 181,500 (0.03%)	State share: allocated for workshop expenses
FINE ARTS $ 800,000 (0.12%)	
PUPIL SUPPORT SERVICES	
Transportation . . . . . . See Basic Support Program	
TEXTBOOK FUND (Ch. 36, Title 16, 1977 Code, established in 1935; Act No. 221, Special Session, 1965) $8,602,500 (1.29%)	State share: 100 percent of calculated amount. Local share: None Extent of participation: All 127 school districts
CAPITAL SUPPORT PROGRAMS	
Capital outlay and debt service - see Basic Support Programs	
BOND ISSUE $30,000,000 (4.50%) Authorizes bond issues of $114,750,000 in the forthcoming years. The proceeds of current bond issues of $30,000,000 will be distributed as follows: $100,000 to each school district ($12,700,000) and the balance on a uniform per pupil amount based on the latest enrollment figures. Approximately half of the authorized amount is earmarked for State colleges.	

ALASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

William D. Thomson, Deputy Commissioner, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 86 percent of the State-local revenues for elementary and secondary public schools were provided by the State.
2. State revenues for public schools are derived from general funds except for a minor cigarette tax.
3. The basic aid program provides an estimated 98.5 percent of Statewide average basic need.

LOCAL SUPPORT

1. The State contains 51 fiscally dependent school districts. The 30 districts in cities and boroughs are dependent upon local governments and the 21 Regional Education Attendance Areas are dependent upon the State legislature.
2. Estimated sources of local school taxes are property taxes 95%, sales taxes 3%, raw fish tax refunds 2%.
3. For 1978-79, total local revenues were estimated at $53,450,028 of which $3,051,544 comprised the required local contribution to basic support programs and the balance, $50,329,612, were local leeway revenues.
4. A tax limit of 30 mills is in effect for all local governments, including any levies for school purposes.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $367,713,600 (100%)

BASIC SUPPORT PROGRAM

PUBLIC SCHOOL FOUNDATION PROGRAM
(Chapter 17, Art. 1 & Chapter 8,
Sec. 121, Compiled School Laws of
Alaska)
$203,550,484 (55.35%)

For city and borough school districts, the amount of State aid per district is calculated by multiplying the basic need of the district by the equalized percentage. For the Regional Educational Attendance Areas, REAAs, which have no taxing authority, the State pays 100% of basic need. The REAAs are educational service areas which include all areas of the State not within the boundaries of an organized city or borough.

Basic Need . . . . The basic need of each district is determined by multiplying the instructional unit allotment of the district by the number of instructional units in the district.

Local Cost Adjustment . . . . Instructional unit allotments range to 155 percent of the basic allotment according to the geographical region in which the district falls.

Base instructional units . . . . . . The base instructional unit is $29,000.00

Instructional Units . . . .

Elementary Schools in districts with ADM under 1,000

ADM	No. Instructional Units
Under 20	2
20-32	3
33-46	4
47-62	5
63-80	6
81-999	6 plus 1 for each 18 pupils or fraction of 18

Elementary Schools in districts with ADM of 1,000 or over

ADM	No. Instructional Units
Under 20	2
20-32	3
33-46	4
47-62	5
63-80	6
81-99	7
100-3005	7 plus 1 for each 19 pupils or fraction of 19
3006 and over	160 plus 1 for each 21 pupils or fraction of 21

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Calculated State matching percentage multiplied by the basic guaranteed program.

Percent of Aid to be provided by the State =
$1 - (1-K)\frac{Vi}{Vs}$

K = Level of Average State Support of basic need, 93%

Vi = Valuation per pupil in ADM in the district (full and true value of each district's taxable real and personal property per ADM)

Vs = Average valuation per ADM for the State.

Local Share: Calculated district matching percentage multiplied by the basic guaranteed program.

Extent of Participation: 31 districts with 70,799 ADM and 21 REAAs with 11,062 ADM (1977-78)

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Secondary Schools in districts with ADM under 1,000

ADM	No. Instructional Units
Under 33	3
33-46	4
47-62	5
63-80	6
81-99	7
100-3005	7 plus 1 for each 19 pupils or fraction of 19
3006 and over	160 plus 1 for each 21 pupils or fraction of 21

Secondary Schools in districts with ADM of 1,000 or over

ADM	No. Instructional Units
Under 33	3
33-46	4
47-62	5
63-80	6
81-99	7
100-3005	7 plus 1 for each 19 pupils or fraction of 19
3006 and over	160 plus 1 for each 21 pupils or fraction of 21

Vocational Education Est. ($13,600,000)

ADM Full Time Equivalent	No. Instructional Units
5-10	1
11-25	2
26-40	3
41 and over	3 plus 1 for each 20 pupils or fraction of 20 pupils in Full-Time Equivalent ADM

Special Education Est.($20,000,000)

ADM	No. Instructional Units
5-8	1
9-15	2
16-24	3
25-35	4
36 and over	4 plus 1 for each 11 pupils or fraction of 11 pupils in Full-Time Equivalent ADM

Bilingual Education Est. ($5,200,000)

Weighted ADM	No. Instructional Units
1-12	1
13-18	2
19-42	3
43 and over	3 plus 1 for each 24 weighted ADM or fraction of 24 weighted ADM

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Extent of Participation: 4,141 ADM and 295 instructional units in 28 districts and 754 ADM and 88 instructional units in 20 REAAs. (1977-78)

Extent of Participation: 4,620 ADM and 456 instructional units in 29 school districts and 804 ADM and 97 instructional units in 21 REAAs. (1977-78)

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
IN LIEU OF LOCAL SUPPORT $7,714,383 (2.09 %) The city and borough school districts provide at least the required local match, and any additional amounts desired in excess of basic need from local sources, whcih are usually some form of tax. Since the REAAs have no taxing authority, the state pays them an amount equal to the average per pupil expenditure in the city and borough districts which comes from local sources.	Only the 21 REAAs participate in this program.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education Vocational Education Bilingual Education See Basic Support Program	
PUPIL SUPPORT SERVICES	
TRANSPORTATION FUND $17,210,600 (4.68%) (Sec.14.10.070, Alaska Statutes) The State contracts for pupil transportation services either directly or with a school district which may subcontract or own and operate its own vehicle(s).	State Share: 100 percent of contract amount. Local Share: Any costs for services not covered by the contract for State pupil transportation.
DISTRICT CHARACTERISTICS	
Sparsity factor See Basic Support Program	
CURRENT AID PROGRAMS, N.E.C.	
TUITION FUND $3,944,400 (1.07%) (Sec. 14.07.30(10), Alaska Statutes) Amount of local cost of education per pupil in the receiving district for non-resident students in attendance who are from other areas where needed school facilities are not provided.	State Share: 100 percent of calculated amount. Local Share: None Extent of Participation: 23 districts
CORRESPONDENCE STUDY COURSES FUND $4,062,400 (1.10%) (Sec. 14.10.150, Alaska Statutes) Courses are provided for all eligible children who meet requirements.	State Share: State pays full costs. Local Share: None Extent of Participation: 1,284 students

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CAPITAL SUPPORT PROGRAMS	
STATE AID FOR SCHOOL DEBT RETIREMENT (Chap. 93, SLA 1971) $22,273,300 (6.06%) The State allocates to districts the following: 1. An amount equal to payments made for the retirement of principal and interest on school construction bonds or notes for construction begun before July 1, 1977; and 2. 80% of payments made for the retirement of principal and interest and cash payments, to pay for the costs of school construction begun after July 1, 1977.	State Share: Calculated amount Local Share: Balance of costs. Extent of Participation: 31 districts
SPECIFIC SCHOOL CONSTRUCTION $106,955,000 (29.09%) School construction aid for specified project.	State Share: Specified amount Local Share: None
CIGARETTE TAX (Title 43, Chap. 50, Art. 1) $ 2,003,000 (0.54%) The tax is distributed to eligible school districts on the basis of ADM and professional staff. Proceeds are used for school facilities.	State Share: Calculated amount Local Share: None Extent of Participation: All city and borough school districts.

ARIZONA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

George Rutledge, Administrative Assistant, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 43 percent of the State-local revenues for elementary and secondary public schools were provided by the State.
2. State funds for schools are derived from annual appropriations except for income from the Permanent School Fund which amounted to $10,642,402 in 1978-79.
3. The basic aid program was in its fifth and final year of a phase-in implementation period. A special session of the Legislature is scheduled for the fall of 1979 to review the State school finance program.
4. A new law requires that local assessments be raised by 5 percent over the prior year and by 10 percent over the second prior year in 1979-80.

LOCAL SUPPORT

1. The State has 223 fiscally independent and 7 fiscally dependent school districts.
2. Property taxes are the sole source of district revenues. Some counties apportion minor amounts to school districts on their own initiative.
3. Local school districts raised approximately $586 million for 1978-79. The local contribution to the equalization program would have amounted to $129 million, if all districts had levied the maximum qualifying tax rate of $1.30 per $100 of assessed valuation. However, some districts did not levy the maximum qualifying tax rate, so that the actual local contribution to the basic support program was less than $129 million. Other districts levied considerably more than the maximum equalized tax rate and that accounts for the substantial amount of leeway dollars.
4. The annual growth in district budgets is limited to 7 percent of the average statewide budget without voter approval. However, district voters may vote to override this limit.
5. District debt limit is equal to 20 percent of assessed values for unified districts and 10 percent for all other districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $442,386,800 (100.00%)	
BASIC SUPPORT PROGRAMS	
BASIC STATE AID $386,161,800 (87.29%) ARS 15-1212 State School Fund apportioned to the several counties on the basis of ADM in common and high schools based on the first eight months of the school year.	State share: Legislature appropriates an amount of $27,167.43 per classroom ($1,044.90 per student) in common schools and $34,167.23 per classroom ($1,423.63 per student) in high schools. A classroom equals 26 students ADM in common schools and 24 students ADM in high schools. Local share: A district qualifying levy of $1.30 per $100.00 assessed valuation property is required to receive Basic State Aid. Extent of participation: 14 counties consisting of 232 participating districts.
ENDOWMENT EARNINGS AND MISCELLANEOUS COLLECTIONS $11,000,000 Est. (2.49%) ARS 15-1212 Becomes a part of the State School Fund apportioned on a rate-per-pupil basis. Is in addition to appropriation. All monies derived from the permanent fund and receipts from other sources.	State share: 100 percent of calculated amount. Local share: None. Extent of participation: 232 participating districts.
NATIONAL FOREST $ 217,000 Est. (0.05%) ARS 41-736 Enabling Act, Vol. 1, Sec. 24 The annual proportion of the gross proceeds of all the national forest within forests within the state as the area of lands granted to the State for school purposes distributed to the school districts on a per pupil rate.	State share: 100% of the payments deposited with state. Local share: None Extent of participation: 232 districts participating.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SPECIAL EDUCATION PROGRAM $ 25,200,000 (5.70%) ARS 15-1011-18 An excess cost formula is used to determine local entitlement. State aid for Special Education shall not total more than the amount appropriated by the legislature for that fiscal year. For excess cost purposes, a student may not be classified in more than one category of Special Education.	State share: Determined by the appropriation formula. Local share: Qualifying tax (as per forumula) and local determined effort. Extent of participation: 153 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
INSTITUTIONAL VOUCHERS $3,116,600 (0.70%) ARS 15-1701 Special Education Institutional Voucher Program is provided for students residing in or attending special education programs in four state-operated institutions.	State share: 100% Local share: None Extent of participation: 10 districts
VOCATIONAL EDUCATION $3,704,000 (0.84%)	State share: 100 percent of calculated amount. Local share: $43,198,626. Extent of participation: Elementary and high school districts.
CAREER EDUCATION $3,428,300 (0.78%) ARS 15-1199 Career Education combines the academic world with the world of work. It is available at all levels of education. The program includes awareness of the world of work, broad orientation of occupations, in depth exploration of selected clusters, and career preparation for students.	State share: 65%. Local share: 35%. Extent of participation: 14 counties consisting of 232 districts.
BILINGUAL $1,050,000 (0.24%) ARS 15-1097-99 Each school district providing a special program of instruction under the provisions of this article receives $50 per unit of ADM per annum per program for each student qualified and taught by the district.	State share: 100 percent of apportioned amount. Local share: None. Extent of participation: 49 districts.
NIGHT SCHOOL $ 5,000 (insig.) ARS 15-1212-C-3 An amount of $10.00 per pupil for each course completed satisfactorily.	State share: 100 percent of apportioned amount. Local share: None. Extent of participation: 1 district
PERMANENT VOUCHERS $1,000,000 (0.23%) ARS 15-1020 Children placed by Department of Economic Security, Juvenile Courts, or Department of Corrections in private treatment facilities are evaluated to be eligible for vouchers.	State share: 100% Local Share: None Extent of Participation: No district participates. Approximately 20 private schools.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CERTIFICATE OF EDUCATIONAL CONVENIENCE $ 665,000 (0.15%) ARS 15-304 A pupil precluded by distance or lack of adequate transportation facilities from attending a common or high school in the district or county of his residence or who resides in unorganized territory may apply to the county school superintendent for a certificate of educational convenience. Other eligible students are those housed in a state rehabilitation or corrective institution, those housed in a foster home or child care agency or institution which is licensed and supervised by the State Department of Economic Security and those under the supervision of the Department of Corrections in a residence pursuant to the Interstate Compact on Juveniles.	State share: The amount of tuition paid by the State for each certificate issued is computed as follows: the per capita cost of the school district attended, as determined for the current school year, plus an additional sum for capita outlay, not to exceed $100 less the per capita apportionment of state aid for each certificate issued. Local share: None.
PUPIL SUPPORT SERVICES STATE TRANSPORTATION AID $6,500,000 (1.47%) ARS 15-1625 State transportation aid apportioned to the school districts on a basis of daily route miles traveled regularly to transport eligible students. (Elem. 1 mile radius from school of attendance and secondary 1 ½ miles radius from school of attendance.) These miles are approved by Superintendent of Public Instructions.	State share: 100 percent of apportioned amount. Local share: None. Extent of participation: 211 participating districts.
DISTRICT CHARACTERISTICS ASSISTANCE OF SCHOOL DISTRICTS BY THE STATE $ 339,100 (0.08%) ARS 15-1214 To assist public school districts in educating children whose parents or legal guardians are employed by and domiciled at the following state institutions and stations: the state hospital, Arizona State School for the Deaf and Blind, mental retardation centers, ports of entry inspection stations and institutions and facilities maintained by the State Department of Correcitons.	State share: Full per pupil cost in ADM of the district less the amount of State Basic Aid per pupil for each child claimed. Local share: None. Extent of participation: 10 school districts.
FACILITIES EMERGENCY AID $ -0- (.00%) ARS 15-1661-1665 Each school district in the state is ranked on the basis of the following criteria: growth rate, utilization of available bonding capacity, assessed valuation per ADM, tax rate for capital outlay, composite ranking. Districts who qualify for aid are paid from the following formula: Upper 2%, $100.00 per ADM; subsequent 2%, $75.00; subsequent 3%, $50.00; subsequent 3%, $25.00.	State share: 100 percent of apportioned amount. Local share: None. Extent of participation: No districts in 1978-79 because no appropriation was made.

ARKANSAS

Earl Willis, Associate Director for Finance, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 61 percent of the State-level revenues for elementary and secondary public schools are provided by the State.

2. State funds for public schools are derived from biennial appropriations, currently covering the 1977-79 period.

3. The State contributed $31,824,661 to the Teacher Retirement fund, an amount which does not appear in State school aid payments.

4. The State did not guarantee a uniform dollar amount among the districts. Each district was guaranteed the amount of aid it received in 1975-76 with some modification for changes in ADA. In addition to this hold harmless amount, some equalization aid was provided. The State's guarantee to districts varied between $726 and $1,095 per pupil in 1978-79.

5. The State reports that as the equalization portion of aid has increased the expenditure disparity range has narrowed. The per pupil expenditure range between the 5th and 95th percentile in 1975-76 was $606-$1,064; in 1978-79 the range was $757-$1,147.

LOCAL SUPPORT

1. There are 382 fiscally independent school districts in the State.

2. Property taxes account for 98 percent of local school revenues. Severance taxes and contributions in lieu of taxes provide the remainder.

3. For 1978-79, total local revenues were estimated at $182,779,740. Of this amount an estimated $166,472,587 were the local contribution to the basic support program.

4. An annual vote on the school budget and district levy is required.

5. The district debt limit is set at 15 percent of assessed valuation though this limit may rise to 18 percent when approved by the State Board of Education.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $289,019,187 (100%)	
BASIC SUPPORT PROGRAMS	
MINIMUM FOUNDATION PROGRAM AID, Act 384 of 1977 $220,296,487 (76.22%) Distribution formula designed to bring about a reasonable degree of equalization over a period of four to seven years. State aid received in the 1975-76 year is considered as a base and is adjusted each year in accordance with the ratio between ADA the previous year and ADA in the 1976-77 year. The local charge is on an ADA basis taking into consideration the adjusted base aid and local income derived from a 45 mill charge against a 20% assessment of market value for property as assessed the second previous year. A listing of school districts is prepared in order from highest to lowest showing charged income per ADA, and with a ceiling amount for participation in equalizing funds. Ceiling of $1095 in 1977-78 will be raised by 75% of the State average increase in charged funds thereafter. All state aid available over the 1975-76 adjusted base is distributed as equalizing aid on a ratio of 2-1/2 to 1 from lowest district to the ceiling amount. Base aid = $\frac{\text{ADA previous year}}{\text{ADA 1976-77}}$ X 1975-76 State aid For 1978-79 the minimum amount guaranteed as base aid equals $760; the maximum guaranteed amount was $1,143 Equalization aid = all foundation aid above the base aid. 75% of all increased aid must be spent for teacher salaries with 80% of that amount going to positions established during the previous year. Small School Adjustment . . . . (Est. $5,722,381) Schools with less than 350 students in ADA are allowed weighting in the following amounts but not to cause the district to exceed 350 ADA as a result of weighting factors. First 150 students weighted 1.4, next 100 students 1.2, and the next one hundred weighted 1.1. This causes a district with an ADA of 268 to be weighted up to 350 while one with 349 would also be weighted as 350.	State and Local shares: In 1977-78, the local charge was $155,379,496 and the state base aid charge $175,676,366 for a total charge of $331,055,862. Equalization allocations equaled $26,054,601. For the 1978-79 year, the local charge is $166,472,587, the adjusted base aid is $174,927,953, and the total charge is $341,400,540. The amount for equalization is $44,968,534. In each succeeding year, the local charge will increase in accordance with assessment practices, the adjusted base aid will remain approximately the same, and equalization aid will increase in the amount of additional state aid appropriated. Extent of Participation: 385 school districts received base aid. 366 school district received equalizing aid. (1977-1978)
STATE APPORTIONMENT Act 687, 1977 $1,400,000 (0.48%) A flat grant of $3.00 per enumerated child, 6-17 years of age inclusive.	State share: State pays entire amount.
COUNTY SCHOOL SUPERVISOR SALARY AID $778,410 (0.26%) Average teacher's salary of the state for the second previous year is paid to each county towards the costs of county supervisor's office.	Counties allowed to use a portion of the State Apportionment to defray costs of supervisor's office. Remainder made up by the counties.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
AID FOR HANDICAPPED Act 686, 1977 $14,000,000 (4.84%) Program designed to pay excess costs of programs. Approximately 90% of the amount is allocated to districts for approved special education classroom or resource room units. Remainder used as reimbursement to districts for expenses incurred in identification procedures.	Each district is required to show expenditures at least as much on identified handicapped child as is spent on other children. State then pays excess costs up to the amount of state aid available.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
VOCATIONAL, TECHNICAL AND ADULT EDUCATION $8,557,593 (2.96%) Act 687 of 1977 At least 50% of cost of programs at local level paid through this fund.	Fifty percent of cost paid by local districts from other State and local resources.
KINDERGARTEN AID $15,517,600 (5.36%) Act 687 of 1977 Aid allocated to districts on approved units. 1978-79 unit aid is $11,870.	Districts pay any excess costs over and above the aid allowed.
ADULT EDUCATION $1,072,152 (0.37%) Act 687 of 1977 100% reimbursement to local school districts for cost of adult education classes.	Local districts furnish facilities only.
PUPIL SUPPORT SERVICES	
TRANSPORTATION AID $20,200,000 (6.98%) Act 687, 1977 Aid allocated on combined basis of density figure for students transported and number and size of units used in program. Density allocation ranges from $20 to $90 per average number transported.	Participating districts pay remainder of costs over and above state aid amounts.
GUIDANCE AND COUNSELING AID $613,666 (0.21%) Act 687, 1977 Aid is allocated on a counseling unit basis for district. Amount per unit in 1977-78 is $1,330.	Program is designed to pay approximate cost of the tenth month of work for counselors in the school districts. Each district pays the regular year's salary out of its combination of state and local resources.
STATE TEXTBOOK PROGRAM $5,461,173 (1.88%) Act 687 of 1977 Free textbooks are made available to all public school students. A certain amount of the appropriation is available for other instructional materials.	No local contribution required.
AUDIO VISUAL AIDS PROGRAM $222,106 (0.07%) Act 697 of 1977 Funding includes cost of film purchasing and replacement plus postage one way.	No local contribution required.
SCHOOL FOOD SERVICE MATCHING AID $900,000 (0.31%) Act 687 of 1977 Funds used to meet required matching by the state in order to qualify for full School Food Service funding by the USDA.	State pays full amount.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

CAPITAL SUPPORT PROGRAMS

REVOLVING LOAN FUND (ACT 384 of 1953, Act 38 of 1961, Act 408 of 1967) $13,866,912

Loan funds are available to school districts for school construction and purchases of capital equipment from three sources:

1. A permanent revolving school fund of about $1,850,000 makes approximately $350,000 available for loans each year generally for periods of six years. Under special circumstances loans to school districts for periods up to twenty years may be made from this fund.
2. The State Board of Education can borrow up to $2,000,000 from the State Treasury to finance loans to school districts.
3. The State Board of Education can issue up to $10,000,000 in State bonds to finance six-year loans to school districts.

State share: 100 percent of loan amount requested in the loan application. Districts cannot owe more than $100,000--$50,000 for construction etc., and $50,000 for buses.

Local share: District must levy taxes sufficient to repay the loans and pay interest at 6 percent.

A district must submit and have approved a properly executed application to State Board of Education; advertise intention of borrowing in local papers; and levy necessary debt service millage for loans longer than 6 years. For loans up to six years, no extra levy is required. District indebtedness including requested loan is not to exceed 15 percent of the assessed valuation. However, indebtedness to as high as 18 percent may be obtained by special approval under certain emergency conditions.

Extent of Participation: Permanent School Revolving Loan Fund:
Number of Loans: 161
Outstanding Amount: $1,857,098
Revolving Certificate Proceeds Account:
Number of Loans: 525
Outstanding Amount: $7,485,364

CALIFORNIA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Jacque T. Ross, Associate Superintendent, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 68 percent of the State-local revenues for elementary and secondary public schools are provided by the State.

2. State aid is provided annually by appropriations. Some minor revenues amounting to $9,097,000 in 1978-79 were derived from oil, mineral and other Federal land sources and from some interest income.

3. An estimated $249,000,000 will be paid to school districts for State property tax relief programs. These programs are:
1) Subventions for Homeowners Exemptions and Business Inventory Exemptions for wine, brandy and motion picture inventory.

4. The State's equalization program does not guarantee a uniform amount per pupil in all districts throughout the State. The foundation dollar guarantee equals an estimated 73 percent of statewide average expenditures per ada.

5. For 1978-79, under SB 154 districts were guaranteed a statewide average of 90 percent of pre-Proposition 13 expenditures, with the actual range varying from 91% to 85% of expenditure. The passage of Proposition 13 rendered inoperative the provisions of AB 65 which were designed to comply with the equalization mandates of the Serrano v. Priest decision. The current law, SB 154, enables districts to receive a percentage of aid that would have been available under AB65 and is effective only for the 1978-79 school year. In 1978-79, average State aid per ada amounted to $1,300 as compared to $572 in 1975-76.

6. The State reports substantial strides in achieving equalization under both AB 65 and SB 154. In 1975-76 the average revenue limits were $977 for elementary, $1,245 for high school and $1,069 for unified districts. There was a 148 percent variance between base revenue limits of elementary districts enrolling the 5th and 95th percentile of ADA; 53.9 percent variance for high schools; and a 32 percent variance for unified districts. In 1978-79 the average levels guaranteed in SB 154 are $1,394 for elementary, $1,697 for high school and $1,471 for unified districts. The varience between the 5th and 95th percentiles has been reduced to 69 percent, 36.8 percent and 28.9 percent respectively.

LOCAL SUPPORT

1. There are 1,043 school districts in California. For FY 1979, no separate school taxes were collected because of the adoption of Proposition 13. SB 154 implemented the intent of Proposition 13 by specifying that each county levy $4.00 per $100 of assessed valuation and that the revenue be apportioned to local governments and special districts on the basis of previous proportions of total county tax revenues. Some 58 county offices of education will also participate in these local tax revenues.

2. For 1978-79, local property tax revenues are estimated at $2,262 million, equalling 80 percent of local receipts. The remainder are receipts from sale of property, cafeteria fund, etc. Revenues from all sources in million of dollars were as follows:

Local property tax revenues	$2,262*	24%
State transfers to districts for Homeowners and Business Inventory Exemption	249	3%
State Block Grants	4,466	48%
State Categoricals	942	10%
Other local receipts	550	6%
Federal aid	788	9%
	$9,275	100%

*Includes $450 million property tax levies in excess of the 1 percent limit to meet debt obligations.

3. For general obligation bonds, the statutory debt limit is 5 percent of assessed valuations for elementary and high school districts and 10 percent for unified districts. The debt limit for revenue bonds (lease-purchases agreements) is 7.5 percent for elementary and high school districts and 12 percent for unified districts.

In 1975-76 the median general purpose tax rate was $4.08 for unified districts. In 1978-79, the estimated statewide average share for schools of the $4.00 tax rate limit is $2.20 (about 55 percent).

In 1975-76 the foundation program was $909 elementary, $1,094 high school and $990 unified. However, the lowest revenue limits were $615, $1,051 and $923 respectively, leaving some districts (about 52 percent of ADA) below the foundation program. In 1978-79 the foundation program under AB 65 would have been $1,241, $1,427 and $1,322. Less than 20 percent of the ADA will receive this level under SB 154, and only .2 percent will receive less than 91 percent of this level. The average total state aid per ADA for current operation in 1975-76 was $572. In 1978-79 it was about $1,300.

7. In addition to State contributions for employee benefits reported in the program description, the State appropriated $144.3 million directly into the State Teacher Retirement System.

8. New programs funded by the State since 1975-76 are:

   a) AB 3059 (Ch. 344/76) Alternative Child Care Program
   b) AB 1329 (Ch. 978/76) Bilingual Education Act of 1976
   c) SB 1641 (Ch. 323/76) Major School Finance Act
   d) SB 986 (Ch. 1254/77) Funded 2 Career Guidance Centers
   e) SB 820 (Ch. 1175/77) Inspection of School Buses
   f) SB 90 (Ch. 1135/77) Financing of Mandated Programs
   g) AB 65 (Ch. 894/77) Major Funding Program - inoperable because of Proposition 13; also contains provisions on:

      - expanded Early Childhood Education Program
      - Urban Impact Aid
      - Staff Development Resource Centers
      - Economic Impact Aid

9. The basic school finance case remains Serrano v. Priest. Serrano II was reaffirmed by California Supreme Court in December 1976. Interdistrict per pupil expenditure variations were to be reduced to less than $100 by 1980 as required by the decision. It is unclear what effect Proposition 13 will have on the continuance of the Serrano litigation.

10. Major changes in assessments resulted from the adoption of Proposition 13. Local government taxes on real property are limited to one percent of the 1975-76 county assessor's valuations.

    The annual increase in valuations is limited to two percent. However if a property has been constructed or sold, its full cash value is the appraised value at the time of construction or sale. Existing debt service obligations are excluded from the one percent property tax limit until the debts are liquidated.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $5,657,040,170 (100%)

BASIC SUPPORT PROGRAMS

"BLOCK GRANTS"
(SB 154, Chapter 292/78; SB 2212, Chapter 332/78; and AB 2190, Chapter 359/78, Education Code, Chapter 3, Division 3, Part 24) $4,205,700,000 (74.35%)

The principle of the State Block Grant provides districts with additional State dollars to replace local dollars lost because of Proposition 13. The State Block Grant also includes foundation program allowances previously paid as basic and equalization aid. The concept of the State Block Grant is to give the district greater flexibility in terms of how the funds are to be spent. In general, the revenue limit for determining block grants is computed as follows: projected 1978-79 total revenue limit per AB 65, plus most permissive overrides, plus 1977-78 summer school and adult ADA. A sliding scale is then applied reducing this amount from 9 to 15 percent, inversely proportional to the spending level of the district. State aid is the difference between this amount and local property tax revenues plus one-third of the unrestricted reserves in excess of five percent of 1977-78 revenue or $50,000, whichever is greater.

Foundation Program amounts are used in computing 1978-79 revenue limits for small elementary and high schools as follows:

1. Elementary

a. Necessary Small Schools

Number of Teachers	ADA	1978-79
1	0-25	$ 30,775
2	26-50	61,550
3	51-75	92,325
4	76-100	123,100

b. Unnecessary Small Schools

In districts under 901, per a.d.a.	$1,231
In districts over 900, per a.d.a.	1,241

c. Other Elementary

Districts with 101-900, per a.d.a.	$1,231
Districts over 900, per a.d.a.	1,241

2. High Schools

a. Necessary Small High Schools

Certificated Employees	ADA	
1	1-20	$ 24,950
2	1-20	49,900
3	1-20	125,700
4	21-40	150,650
5	41-60	175,600

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Students Served: 4,343,213

Number of Districts: 1,043

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

a. Necessary Small High Schools (Continued)

Certificated Employees	ADA	
6	61-75	$200,550
7	76-90	225,500
8	91-105	250,450
9	106-120	275,400
10	121-135	300,350
11	136-150	325,300
12	151-180	350,250
13	181-220	375,200
14	221-260	400,150
15	261-300	425,100

b. Unnecessary Small High Schools

In districts of less than 301	$1,417
In districts over 300	1,427

c. Other High Schools

Districts of 301 or more ADA	1,427

COUNTY SCHOOL SERVICE FUND $108,407,500 (1.92%)
(SB 154, Chapter 292/78 and Education Code Sections 1500, 1700-1836, 12400, 14054 and 41301)

The State Block Grant for the County School Service Fund is in lieu of the State Foundation Program apportionment and partially replaces property tax revenues lost due to the passage of Proposition 13.

Students Served: 29,500

Number of Districts: 58 county offices

These funds provide allowances for appropriate services to small districts for supervision of instruction, health, pupil personnel, curriculum, special education, etc. Large districts may contract with the county office for these services. In general, the county office block grant appropriations are computed as follows: projected 1978-79 revenue limits or foundation program levels as appropriate for the various programs offered plus most permissive overrides. This amount is then reduced by 10 percent. State aid is the difference between this amount and property tax levies, any income from districts for services provided and one-third of the unrestricted reserves in excess of five percent of 1977-78 revenue or $50,000, whichever is greater.

Note: ADA allowances to districts and county offices for Regional Occupational Centers and Programs (ROC/P's) are allocated through the regular apportionment process (Education Code Sections 8020-8035). The specific dollar appropriation for this program, therefore, cannot be determined. The centers are intended to provide a variety of vocational, technical, and occupational preparation opportunities for high school students, out-of-school youth and adults, particularly students in areas where such alternative training programs may not otherwise be available.

Students Served: 183,000 in 64 ROC/P's (41 are county-operated)

Number of Districts: 342 districts, including 7 community colleges (1977-78)

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

EDUCATION OF EXCEPTIONAL CHILDREN $243,801,000 (4.31%)
(SB 154, Chapter 292/78; AB 1250, Chapter 124/77;
and Education Code Sections 41880-41891)

Allowances for special education are determined by computing special classroom allowances for the particular category.

1. Classroom Allowance -- 1978-79

Category	Elementary (Grades K-8) Class Allowances	High School (Grades 9-12) Class Allowances
Physically Handicapped		
Class size maximum of 3	$18,201	--
Class size maximum of 5	17,415	$16,660
Class size maximum of 6	16,986	--
Class size maximum of 8	16,176	15,008
Class size maximum of 10	15,390	13,930
Class size maximum of 12	14,628	12,804
Class size maximum of 16	13,040	10,608
Class size maximum of 20	--	8,440
Class sixe maximum of 6 (autistic)	30,336	29,088
Educable Mentally Retarded (as defined in Education Code Section 56501)		
Class size maximum of 15	$9,600	$7,410
Class size maximum of 18	8,496	5,760
Trainable Mentally Retarded (as defined in Education Code Section 56515)		
Class size maximum of 12	$12,408	$10,584
Educationally Handicapped		
Class size maximum of 12	$13,488	$11,724

2. Average Daily Attendance Allowances--1978-79

Allowances based on average daily attendance for other than special day classes are as follows:

Physically Handicapped

In regular classes	$1,144
In remedial physical education classes	871
Other remedial instruction	2,247
Individual instruction	1,461
Blind pupils (special)	1,023
Special speech instruction by speech aides	1,144

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Local Share: the amount equivalent to any expenses exceeding State allowances (special and block grant)

Students served: 200,070

Number of Districts: 793 districts, 46 county offices

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Physically Handicapped Enrolled in Regional Occupational Centers or Programs

Visually handicapped	$2,196
Deaf handicapped	1,258
Orthopedically handicapped	696

Educable Mentally Retarded

Educable Mentally Retarded in a regular class taught by an instructional aide	$1,144

Educationally Handicapped

Learning disability	$2,113
Home and hospital	1,461
Special consultation allowance	12
Instruction in regular classes by an instructional aide	1,144

Transportation of Physically Handicapped, Autistic Pupils and Trainable Mentally Retarded	$ 437
Plus three-fourths of the excess of expenses over $437 when vehicles are used exclusively for such purpose but not in excess of $82	82

The number of classes to be considered in computing special allowances is determined as follows: ADA accumulated in such classes during the regular year is divided by the maximum class size allowed. The number of classes to be considered is then multiplied by the class allowance. If computations show more classes than were maintained, the actual number of classes is used.

MASTER PLAN FOR SPECIAL EDUCATION $101,917,180 (1.80%)
(AB 1250, Chapter 1247/77; AB 65, Chapter 894/77;
Education Code Sections 41302(e), 56300-56367,
59045, 59144, and 59204)

The total amount of State funds available for the Master Plan in 1978-79 is $21.80 multiplied by 1977-78 total ADA, pursuant to Section 3 of AB 65. Funds are allocated on the basis of educational services (e.g., resource specialists, special day classes, individual assessment, etc.) rather than on the student's particular handicap. An educational plan tailored to each student's needs must be developed and programs provided in the least restrictive environment appropriate for the pupils. The Master Plan is being phased in to eventually serve all students with exceptional needs, including those currently served with regular special education allowances (which will eventually be phased out).

Note: Special education allowances under both the regular program and Master Plan include funds to reimburse districts for the excess costs of educating children with exceptional needs in private facilities when no appropriate state programs are available, pursuant to Article 3 of AB 1250 (Sedgwick) and Education Code Sections 56030-56042. The local share is currently computed at 30 percent of the excess costs.

Local Share: the amount equivalent to any expense exceeding State allowances (block grant and Master Plan)

Students Served: 80,000

Number of Districts: 12 responsible local agencies, covering 249 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
MENTALLY GIFTED MINORS (Education Code Sections 52200-52208; SB 154, Chapter 292/78) $13,373,550 (0.24%) The program is intended to provide differentiated educational opportunities for gifted students; ensure them adequate opportunity to develop their intellectual, academic, creative, leadership, and career potential; and provide appropriate learning opportunities for children in the upper three percent of the student population in general mental ability. One hundred dollars is allowed for each pupil participating, plus an additional $50 for each pupil identified as gifted. Currently the $100 is prorated because more than three percent of Statewide ADA has been identified for participation. This proration has been ruled illegal by the State Attorney General, so the total number participating is being reduced accordingly.	Local Share: no calculation Students Served: 158,753 Number of Districts: 344
DEVELOPMENT CENTERS FOR THE HANDICAPPED (AB 2190 Chapter 359/78; Education Code Sections 56800-56832) $14,523,400 (0.26%) This program is designed to provide basic self-help skills for severely multi-handicapped, developmentally disabled persons between the ages of three and 21 whose handicaps are so severe that without the program they would remain at home or would be institutionalized. District allowances are based on hours of attendance and expense of operation.	Local Share: amount previously authorized as a permissive override, now included in the 1978-79 revenue limit and any additional costs exceeding State allowances. Students Served: 4,700 Number of Districts: 19 districts and 30 county offices operating 115 centers
STATE SPECIAL SCHOOLS California operates six special schools for children with exceptional needs. The schools are: California School for the Blind, Berkeley; Diagnostic Schools for Neurologically Handicapped, Northern, Southern, and Central California; and Schools for the Deaf, Berkeley and Riverside. Approximately 5,000 children are served (on both a resident and non-resident basis) with an operating budget of nearly $19 million in State funds. A Special School Transportation allowance of $420,759 is also appropriated for an allowance of $389 per student.	
OCCUPATIONAL TRAINING OF PHYSICALLY HANDICAPPED AND MENTALLY RETARDED PUPILS (AB 2190, Chapter 359/78; Education Code Sections 56070-56076) $180,0[illegible] insig. Districts and county offices are reimbursed the costs of providing occupational training for physically handicapped and mentally retarded persons under age 21 when the district or county contracts with sheltered workshops or other establishments for such training. Such reimbursement shall not exceed $650 per year, less the local share of districts or county offices.	Local Share: Computed each year based on claims filed and approved and dollars available. Students Served: 729 (1977-78) Number of Districts: Not available.
DRIVER TRAINING (SB 154, Chapter 292/78; Education Code Sections 41304-41306, 41900-41919, 51850 and 51853) $19,800,000 (0.35%) The funds provide a maximum of $60 per pupil instructed in behind-the-wheel training. High school districts and the grades nine through twelve portions of unified districts may participate. The program is funded from traffic court fines (Driver Training Penalty Assessment Fund) transferred to the State General Fund. Budget control	Local Share: Equipment plus any costs in excess of State allowances Students Served: 300,000 Number of Districts: 377

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
language (AB 2190, Chapter 359/78) directs that 1979-80 apportionments be eliminated if legislation is enacted removing the current driver's training requirement for persons under 18 years of age prior to receipt of a driver's license.	
EDUCATIONALLY DISADVANTAGED YOUTH $112,958,000 (2.00%) (SB 1641, Chapter 323/76; AB 65, Chapter 894/77; SB 154, Chapter 292/78, and Education Code Sections 54000-54008 and 54030) This program provides high-quality supplementary educational services to educationally disadvantaged students with emphasis on instruction in language, reading, and mathematics. Resources are allocated to districts on the basis of the number of children from low-income families; the percent of Hispanic and Asian surname and American Indian pupils; and pupil transiency (EDY formula). Any district with a factor above .9 is eligible.	Local Share: No calculation Students Served: 275,000 Number of Districts: 536
DEMONSTRATION PROGRAMS IN READING AND MATHEMATICS $3,079,512 (0.06%) (AB 1595, Chapter 570/77; SB 154, Chapter 292/78; Education Code Sections 58600-58605) The Demonstration Programs are intended to provide cost-effective intensive instruction in reading and mathematics for low-achieving students in grades seven, eight, or nine. State funding is based on a project approval basis, with termination each year of those programs with the lowest level of cost-effectiveness.	Local Share: no calculation Students Served: 10,000 Number of Districts: 17 districts operation 30 programs
SPECIAL ELEMENTARY SCHOOL READING INSTRUCTION PROGRAM (Miller- Unruh) $14,005,317 (0.25%) (SB 460, Chapter 976/76; SB 154, Chapter 292/78; Education Code Sections 54100-54180) The program is intended to upgrade the reading achievement of California's primary grade children by providing funds principally to enable school districts to employ reading specialists in kindergarten through grade three, with the option of assigning Miller-Unruh reading teachers to grades four through six in schools receiving both Miller-Unruh and School Improvement funds. The State subsidy is not to exceed 75 percent of the Statewide average teacher's salary.	Local Share: The difference, if any, between salaries for reading specialists and the State maximum subsidy Students Served: 125,000 students Number of Districts: 188
BILINGUAL-BICULTURAL EDUCATION $11,093,882 (0.20%) (AB 2284, Chapter 1258/72; AB 1329, Chapter 978/76; AB 65, Chapter 894/77; SB 154, Chapter 292/78; Education Code Sections 52100-52177) AB 2284/72 funds ($8,231,882) are allocated to districts on a competitive grant application basis. These funds may be used for supplementary services such as paraprofessionals, teacher training, materials, and supplies. Not more than two-thirds of the students enrolled in these bilingual classes shall be limited- or non-English-speaking (LES/NES). AB 1329 ($2,862,000) mandates services to all LES/NES students and provides a more comprehensive funding approach to meet the needs of these students. All districts are required to conduct an annual survey of the number of LES/NES students. Funds may also be used to employ bilingual teachers. Full or partial bilingual instruction, bilingual-bicultural education or an individual learning program must be provided, depending on the numbers of LES/NES in each grade level in a school and the needs of students.	Local Share: No calculation Students Served: 50,000 Number of Districts: 381

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Note: Beginning in 1979-80, existing funding for EDY and bilingual programs will be consoliated into a single funding source, Economic Impact Aid (EIC). The EDY formula used to determine district eligibility will be modifed and will increase the number of districts served as well as providing more flexibility for districts to allocate funds to schools. The programmatic provisions of AB 1329 for services to LES/NES students prevail. Districts with factors computed at .35 or above will be eligible.	
AMERICAN INDIAN EDUCATION CENTERS $606,753 (0.01%) (SB 2264, Chapter 1425/74; SB 154, Chapter 292/78; Education Code Sections 33380-33384) The funds provide comprehensive programs to kindergarten through grade twelve pupils as well as adults. Services include tutorial programs in reading and mathematics, academic counseling, and cultural activities directed toward reducing the dropout rate of American Indian students and increasing their academic achievement and self-image. These centers are directly administered by Boards of Directors rather than school districts.	Local Share: No calculation Students Served: 6,200 (includes adults) Number of Districts: 10 centers
NATIVE AMERICAN INDIAN EDUCATION PROGRAM $257,580 (0.01%) (AB 1544, Chapter 903/77; SB 154, Chapter 292/78; Education Code Sections 52060-52065) These projects supplement educational services in kindergarten through grade four, with an emphasis on basic skills.	Local Share: No calculation Students Served: 814 Number of Districts: 10 projects
PRESCHOOL $24,542,044 (0.43%) (AB 2190, Chapter 359/78; Education Code Sections 8200-8397 and 89400-89413) This program provides a part-time developmental educational program for four-year olds and their parents. The purpose is to enhance the development of the child by involving parents as much as possible in the education of the child (similar to the federal Headstart Program).	Local Share: No calculation Children Served: 10,200* Districts Served: 118
ENVIRONMENTAL PROTECTION PROGRAM $318,000 (0.01%) (AB 2190, Chapter 359/78; Education Code Sections 8700-8773, 51202, 51210(c), 51211, and 51220(b)) Projects to provide conservation education programs are funded on a competitive grant application basis. Funds for this program are allocated from the California Environmental Protection Program which receives its revenue from the sale of personalized license plates.	Local Share: No calculation Students Served: 100,000 Districts Served: 17 projects covering 25 districts
PUPIL SUPPORT SERVICES	
TRANSPORTATION, HOME TO SCHOOL $60,689,000 (1.07%) (SB 154, Chapter 292/78; Education Code Sections 41301, 41850-41862, and 41865) State reimbursements are provided for prior year costs of home-to-school transportation (50 percent of costs on the average). Approved expenses as claimed are limited to median statewide expenses per bus day, plus 25 percent, using 16 classifications of buses reflecting hours of operation and capacity. Types of expenses included are operating expense, repairs, insurance, cost of replacement of equipment, payments to parents in-lieu-of transportation and payments to public carriers.	Local Share: All regular school transportation costs up to an amount produced by a .2, .3, or .4 mill tax and additional amounts based on costs and financial ability. Students Served: 941,251 (1977-78) Number of Districts: 925

*An additional 9,000 children are served by private, nonprofit agencies, county offices of education, and institutions of higher education.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CHILD CARE SERVICES $81,466,862* (1.44%) (AB 99, Chapter 670/72; AB 299, Chapter 1012/75; AB 3059, Chapter 344/76, AB 1288, Chapter 1246/77; AB 2190, Chapter 359/78; Education Code Sections 8200-8384 and 8400-8460) The purpose of this program is to: (1) meet the needs of children from infancy through age 14 by providing health, nutrition, developmental, social, parental involvement, supervisorial services, and (2) free parents to work or to receive vocational training. Allowances are based on hours of attendance and expense of operations. The maximum State allowance is $1.28 per child-hour generated by children under two years. Funds are provided in combination with Federal funds under Title XX of the Social Security Act (PL 93-647).	Local Share: Any costs not covered by State allowances and parent fees. Children Served: 59,117 (State-funded programs only) Number of Districts: 535 public and private contracting agencies
CAREER GUIDANCE CENTERS $250,000 (0.01%) (AB 2190, Chapter 359/78; Education Code Section 52340-52347) Two centers in Los Angeles and San Diego counties serve as regional guidance resource centers. They are equipped with modern occupational measurement and career guidance materials, a professional resource staff, and career information.	Local Share: No calculation Students Served: 150,000 Number of Districts: 140 and 3 county offices (Imperial County is served by the San Diego Center.)
INSTRUCTIONAL MATERIALS $28,050,863 (0.50%) (SB 154, Chapter 292/78; AB 2190, Chapter 359/78; Education Code Sections 60240-60246) All elementary districts or the grades one through eight portion of unified districts are eligible for an allowance for materials. In 1978-79, allowances per ADA are a combination of a $7.896 credit and a $.65 cash allotment for public schools or an $8.546 credit for private schools.	Local Share: No calculation Students: 3.2 million (about 90 percent public) Number of Districts: 1,001 public; 1,030 private
INSTRUCTIONAL TELEVISION $821,364 (0.02%) (AB 2190, Chapter 359/78 and Education Code Sections 41920, 51870, 51873, 78310, and 84860) Funds are awarded on an application basis, up to $.50 per pupil participating in open or closed curcuit instructional programs. The amount of the allowance so determined cannot exceed 50 percent of the cost of the program.	Local Share: 50 percent of the cost Students Served: 1,593,208 Number of Districts: 434 districts and 52 county offices
CHILD NUTRITION $35,292,729 (0.62%) (SB 2020, Chapter 1487/74; SB 120, Chapter 1277/75; SB 154, Chapter 292/78; and Education Code Sections 49510-49556) This program is provided in combination with federal Child Nutrition Act reimbursements. Basic per meal reimbursements of $.0669 in 1978-79 (estimated) are provided for qualifying breakfasts and lunches served in public and private schools. A needy subsidy is also provided based on the average Statewide meal cost, less federal and State reimbursements and the district share, multiplied by the "free" meals served. For reduced-price meals, local fees collected are also deducted. (In addition to the above program, the Department of Education also funds 28 nutrition education projects in 28 districts, serving 8,500 students. The funds allocated total $607,061 and are included in the department's administrative budget rather than local assistance or subventions.)	Local Share: For needy subsidies, it was previously based on a $.05 permissive override (computed as the local share whether levied or not). The amount of this permissive override levied in 1977-78 has been added to the district revenue limit computations for 1978-79 (before the 9 to 15 percent cut). For regular meals served, the local share is the difference between the total cost of meals served and the sum of fees collected plus the State and federal basic subsidies. Students Served: 2.46 million Number of Districts: 1,470 local agencies (including over 400 private schools and resident child care providers)

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*Includes $1 million for migrant facilities.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

EMPLOYEE BENEFITS

STATE AID TO STATE TEACHERS' RETIREMENT SYSTEM (STRS) $152,400,000 (2.69%)
(AB 2190, Chapter 359/78; Education Code Sections 14003-41716 and 41716.5)

This is a subvention to districts allocated on an equalization basis and does not include an additional $144.3 million direct state appropriation to the STRS fund.

DISTRICT CHARACTERISTICS

PROPERTY TAX RELIEF (SUBVENTIONS FOR HOMEOWNERS' EXEMPTION AND BUSINESS INVENTORY EXEMPTIONS) $249,000,000 (4.40%)

This is a transfer payment to districts to cover exemptions to homeowners and business.

GENERAL AID TO DISTRICTS $44,065,800 (0.78%)
(SB 1641, Chapter 323/76; AB 65, Chapter 894/77; SB 154, Chapter 292/78; and Education Code Sections 54060-54061)

In 1976, SB 1641 appropriated general aid to districts with EDY formula factors of 1.25 or more. In addition to these general resources, AB 65 established Urban Impact Aid through 1979-80, which is general aid allocated to 19 large unified districts. District eligibility is determined by a combination of minority population, ADA in excess of 12,022, poverty factor from the EDY formula, and AFDC. Allocations are based on the district's AFDC count, which is multiplied by the current EDY factor, the squeeze factor (ratio of state's prior year foundation program to the district's revenue limit), and a factor for districts with ADA in excess of 58,800.

Local Share: No calculation

Students Served: 1.9 million. Since these funds are general aid, this number includes all ADA in districts receiving funds.

Number of Districts: 265

CURRENT AID PROGRAMS, N.E.C.

PROFESSIONAL DEVELOPMENT AND PROGRAM IMPROVEMENT CENTERS $657,306 (0.01%)
(SB 154, Chapter 292/78; Education Code Sections 44630-44643)

These centers are intended to offer comprehensive inservice training programs to strengthen the instructional techniques of classroom teachers in kindergarten through grade six, particularly in teaching reading and math, diagnosis of learning disabilities, and development of corrective programs of instruction. Allocations are based on approved budgets and are to include funds sufficient to pay the salaries of replacement teachers and salaries of instructors for time of instruction in the project.

Local Share: No calculation

Students Served: Not available

Number of Districts: 16 centers

SCHOOL PERSONNEL STAFF DEVELOPMENT $495,000 (0.01%)
(SB 551, Chapter 966/77; SB 154, Chapter 292/78; Education Code Section 44670)

This program will provide certificated employees the opportunity to develop their own school site staff development program based on school improvement objectives established by a school site council comprised of parents, community members, and students as well as school personnel. (See School Improvement Program.)

Local Share: No calculation

Students Served: Not available

Number of Districts: Not available

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
STAFF DEVELOPMENT RESOURCE CENTERS $450,000 (0.01%) (SB 551, Chapter 966/77; AB 65, Chapter 894/77; SB 154, Chapter 292/78; Education Code Sections 44670-44680.9) Not less than five centers are to be established in 1978-79 to (1) aid schools in carrying out their school site staff development plans, (2) act as liaison between institutions of higher education and local school personnel and local agencies, and (3) disseminate information regarding staff development methods and models.	Local Share: No calculation Students Served: Not available Number of Districts: Not available
BILINGUAL TEACHER CORPS $1,146,328 (0.02%) (AB 2817, Chapter 1496/74 and Education Code Sections 52150-52152) This program provides for the development of a corps of bilingual teachers qualified to meet the needs of the LES/NES students of California. The State Commission on Teacher Preparation and Licensing has established the Bilingual-Bicultural Teacher Specialist Credential. The Teacher Corps program awards an annual stipend of $1,500 (plus necessary expenses) to individuals employed as public school teacher aides, if they are taking at least 12 units per quarter or semester in an approved program leading to this credential. The Department of Education contracts with community colleges, state colleges, and universities to assist the aides in achieving their credential. (In addition to the above programs, the department also funds the New Careers in Education Program. The New Careers in Education Program was established to (1) recruit and train persons who have completed at least 60 units of college work in a community college or a four-year institution of higher education for teaching in low-income elementary schools and (2) provide a means by which capable persons of low-income background may enter the teaching profession. The program incorporates academic study with on-the-job training in districts that do not have an adequate supply of teachers specifically trained to deal with the educational needs of limited-or-non-English-speaking pupils or low-income pupils. Participating full-time college students receive a Fellowship Expense Grant of $75 per week plus a $15 per week Fellowship Expense Grant Supplement for each legal dependent. In 1978-79, $320,875 is appropriated and is included in the department's administrative budget rather than as local assistance or subventions.)	Local Share: No calculation Students Served: 600 receive stipends Number of Districts: 37 institutions of higher education participate
SCHOOL IMPROVEMENT PROGRAM (SIP) $122,911,200 (2.17%) (AB 65, Chapter 894/77; SB 154, Chapter 292/78; Education Code Sections 52000-52049.5) AB 65 authorized SIP which is a modification and expansion to grades four through twelve of concepts embodied in the ECE program. SIP is not a "program" in the usual educational sense but provides funds for districts to undergo a process of renewal and improvement at the school site level. Services are not limited to particular students or predetermined. Each participating school community determines for itself, through a school site council, what it needs to improve and how to implement the changes. However, plans must address the needs of all students. School site councils are comprised of equal representation by school staff (producers) and parents and community members (consumers) at the elementary level or parents and students at the high school level. District governing boards make the final decision on which schools will participate. Allocations are based on $30 per ADA for planning; $148 per ADA for kindergarten through grade three; $90 per ADA for four through eight, and $65 per ADA for nine through twelve.	Local Share: No calculation Students Served: 1.2 million Number of Districts: 823

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

ASSISTANCE TO PUBLIC LIBRARIES
(SB 792, Chapter 1255/78; SB 154,
Chapter 292/78)
$4,780,000 (0.09%)

These funds are used to encourage and enable the sharing and coordination of library resources and services through interlibrary loans, system reference referral, and equal access.

Local Share: No Calculation

Students Served: Not available

Number of Districts: Not avilable

CAPITAL SUPPORT PROGRAMS

1. STATE SCHOOL BUILDING AID PROGRAMS -0-

This program provided state loans to low-wealth, rapid growth districts already bonded to 95 percent of the statutory debt limit. Revenues were derived from the sale of state bonds which required approval by the state electorate. To participate, districts were required to pass a bond election, approved by two-thirds of the district electorate. Funds were exhausted during 1977-78. Over $2 billion has been provided to districts since 1947. Additional revenues ($100 million) would have become available if Proposition 1 (authorization of the sale of state bonds) had passed on June 6, 1978.

2. STATE LEASE-PURCHASE LAW (Chapter 340/77) -0-

This law, if it had been funded through Proposition 1 ($250 million), would have enabled districts to perform construction, modernization, or reconstruction through a lease-purchase agreement with the State. Such an arrangement would have required a simple majority approval of the district electorate.

Repayments under both programs 1 and 2 above, if they had been funded, would not be possible now because of property tax limitations resulting from Proposition 13.

COLORADO

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Edwin E. Steinbrecher, Assistant Commissioner of Education, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 45 percent of the State-local revenues for elementary and secondary public school revenues were provided by the State.

2. State aid for public schools is derived from general appropriations except for approximately $25 million in receipts from mineral leases and in income earned by the Public School Income Fund.

3. The State guarantees a uniform dollar amount for each mill levied by a district up to its authorized revenue base which reflects spending in prior years. In effect, the total guaranteed amount per pupil varies for each district. Districts with wealth bases yielding more than the guaranteed amount per mill are aided under a minimum guarantee provision.

4. The State guaranteed yield per mill per pupil of $42.25 is nearly twice the average district yield per mill. This high millage guarantee has provided some property tax relief.

5. Under its equalization aid formula, the State reports that in 1979, 28 school districts received larger increases in their authorized revenue bases than the other 153 districts which received a flat increase of $130 per pupil.

6. Since 1975-76, new school aid programs funded by the State are:

   - A Low Income - ADC supplemental funds program
   - Increased Enrollment Funding
   - Educational Television

7. A major court case in which the State's school aid program has been successfully challenged is Lujan v. Colorado Board of Education (Denver District Court, Civil Action No. C-73688). The Court found that the Colorado Public School Finance System violates the equal protection of the laws under the Colorado Constitution because it infringes upon the fundamental right of equal educational opportunity, and the State of Colorado has failed to demonstrate that such infringment is necessarily related to the achievement of a compelling governmental interest.

LOCAL SUPPORT

1. The State is composed of 181 fiscally independent school districts.

2. Property taxes constitute the principal source of local revenues derived for public schools.

3. An estimated $543,567,729 were raised by local property taxes in 1978. Of this amount, the required local contribution to the basic State equalization program was $437,929,380. Approximately $10.5 million was granted by the Budget Review Board.

4. Local school budgets are not subject to voter approval except when districts appeal first to the State School District Budget Review Board and then to the voters for an increase in revenues above the limit established by statute.

5. There is no uniform rate limit for all districts. For each district, the millage limit is derived by dividing the authorized revenue base (revenue limit) by the State guarantee ($42.25 per mill). The Budget Review Board or a district vote can authorize a higher revenue limit, i.e. additional mills, above this amount.

6. District bonded indebtedness may not exceed 20 percent of a district's assessed valuation.

STATE SUPPORT (con't)

Further, the Court held that education is a fundamental right under the Colorado Constitution and that the Colorado Public School Finance System interfers with this constitutional right. This system violates the Federal Constitution provision of equal protection of the laws because it adversely affects a distinct class of school children identifiable on the basis of personal and school district poverty, giving rise to a suspect class of school children. The Colorado system also fails to provide a thorough and uniform system as required by the Colorado Constitution. The State was given two years from the entry of judgment to devise a system of school finance which will comply with the Federal and State constitutions. An appeal is pending.

8. Major legal changes in assessments since 1975-76 appear in:

   - CRS 39-1-104 (8)(9) Residential, commerical, industrial, agricultural, building improvements and commerical personal property must be assessed at 30 percent of 1973 level of value for 1977 through 1982.

   - CRS 39-1-103 (5)(a) 1977 assessments shall not exceed 140 percent of the average of the assessments for the years 1974, 1975 and 1976. For 1978, the assessment shall not exceed 125 percent of the 1977 assessment.

The State has no mechanism for equalizing assessments.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $543,977,444 (100.00%)

BASIC SUPPORT PROGRAM

STATE PUBLIC SCHOOL FUND EQUALIZATION ENTITLEMENT $470,423,000 (86.48%)
CRS 22-50-101 to 117

Current operation, K-12 Authorized Revenue Base per pupil of attendance entitlement. Guaranteed yield equal $42.25 per mill per student for calendar year 1979 up to each districts authorized revenue base (ARB).

An authorized revenue base is the per pupil amount received by a district from state equalization, specific ownership and local property taxes assuming 100% collection. For a given budget year, the authorized revenue base is the district's revenue base of the preceding year increased by a flat amount unless that amount does not bring the ARB to a minimum set by law.

Minimum Authorized Revenue Base (ARB) or Increase granted to Revenue base

1979	$1400 minimum or $130 over prior year
1980	$1600 minimum or $140 over prior year
1981	$1800 minimum or $150 over prior year

For 1982 the ARB is the 1981 revenue base plus 160.
These amounts are permissive but not required.
A school district has the right to appeal to a State School District Budget Review Board for an increase in its ARB. It may also exceed the ARB by a district vote, if rejected by the Budget Review Board.
If a district is successful in increasing its ARB through either method, the district bears the full cost of the increased ARB for the first year. In subsequent years, the new ARB is supported through the equalization formula.

If a district's attendance entitlement divided by the number of square miles within that district is in excess of 500 and the attendance entitlement of the district exceeds 50,000, the equalization program support is 107 1/2 percent of the guaranteed per pupil per mill. Denver is the only district affected by this provision.

State share: Guaranteed amount per pupil per mill minus local share; however, in no case shall the state share be less than $11.35 per student per attendance entitlement for calendar year 1979 for district's levying up to 20 mills. If a district levies more than 20 mills, the minimum guaranteed yield is $12.35 per mill levied. State share per pupil is the state contribution per mill times the mills necessary to achieve the authorized revenue base.

Local share: The amount of the local share is determined by multiplying the General Fund Mill Levy by the district's assessed valuation. The General Fund Mill Levy is determined by dividing the authorized revenue base by the State Aid Factor (which varies between the guarantee limits of $11.35 and $42.50 per mill) plus the assessed valuation per pupil. The general formula is:

$$\text{General Fund Mill Levy} = \frac{\text{Authorized Revenue Base}}{\text{State Aid Factor} + \frac{(.001 \text{ X Assessed Valuation})}{(\text{attendance entitlement})}}$$

Extent of Participation: All 181 districts.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

HANDICAPPED CHILDREN'S EDUCATIONAL ACT $34,309,095 (6.31%)
CRS 22-20-101 to 114

All local school districts are required to provide services to the handicapped child either directly or indirectly through an intermediate unit.

State share:

a. Eighty percent of that portion of salary of specific personnel cost attributable to special education programs
b. Eighty percent of transportation cost for handicapped children, after other state funds are deducted.
c. Fifty percent of the cost of materials or $200 per special education teacher, whichever is less.
d. One hundred percent of a child in a licensed family care home.
e. Eighty percent of the cost of programs for children transferred between administrative units.

Local Share: Remainder of cost of special education program. If appropriations are such that reimbursements must be prorated, the local district must assume the difference.

Extent of Participation: 181 school districts through 48 administrative units.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
COLORADO VOCATIONAL EDUCATION ACT $10,997,128 (2.02%) CRS 23-60-101 to 502 Reimburses direct vocational education cases as defined by statutes.	State share: Reimbursable cost per FTE student but subject to: 1. Vocational cost per FTE student minus 70% of ARB per student of attendance entitlement. 2. Of the above difference, the state provides 80% of the first $1250 and 50% of the cost above that $1250. Local share: Remainder of program cost. Extent of Participation: 159 school districts.
BILINGUAL/BICULTURAL EDUCATION ACT $2,414,021 (0.44%) CRS 24-101 to 115 Current operation K-3 reimbursement of approved program costs as follows: a. The actual position cost of: 1. Teachers, 2. Teachers' aides, 3. District Director, 4. Supervisory personnel, 5. Coordinators, 6. Curriculum specialists, b. The cost of approved inservice programs for teachers' aides, c. The cost of approved upward mobility programs for teachers' aides, d. The cost of additional bilingual and bicultural materials.	State share: Districts or Boards of Cooperative Services that operate a program approved by the Department shall be entitled to reimbursement up to an amount not to exceed one hundred percent of the direct attributable additional cost incurred by the district or Board of Cooperative Services. Local share: Any remaining cost of the program Extent of Participation: 49 school districts either independently or through a BOCS.
CAREER EDUCTION ACT OF 1975 $200,000 (0.04%) CRS 8-101 to 108 Project Application	State share: Proportion of approved program (usually 50%) Local share: Remainder of approved program Extent of Participation: 31 school districts.
PUPIL SUPPORT SERVICES	
PUBLIC SCHOOL TRANSPORTATION FUND $12,971,200 (2.38%) CRS 22-51-101 to 109 Provides 27 cents per mile plus 20 percent of the difference between current operating costs for pupil transportation and the amount determined by multiplying 27¢ by each mile traveled. No capital outlay expenditures are included in current operating costs for pupil transportation. Miles to be reimbursed are those in getting a child from home to school, school to school, and school to home.	State share: $12,971,200 Local share: Remainder of transportation costs. Extent of Participation: 179 districts.
EDUCATIONAL TELEVISION $440,000 (0.08%) CRS 22-50-113.7 Provides $1.00 per pupil for each pupil within the viewing range of the educational television program.	State share: $440,000 Local share: -0- Extent of Participation: 2 stations, 440,000 students
DISTRICT CHARACTERISTICS	
SMALL ATTENDANCE CENTERS $3,520,000 (0.65%) CRS 22-50-113 Provides each bonus pupil with the smaller of the revenue base or $35 times the general fund mill levy.	State share: $3,520,000 Local share: -0- Extent of Participation: 87 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

A "bonus pupil" is calculated by multiplying the ADAE of an eligible small attendance center by a weighting factor (see table). If the resulting product is larger than the maximum allowed, the product is reduced to the maximum. The difference between the ADAE of the attendance center and this computed figure is the "bonus pupils."

ADA Entitlement	Grades 1-6 or 1-8 Factor	Maximum Allowed
0 to 20	allow 24	24
20.1 to 50	1.2	55
50.1 to 80	1.1	84
80.1 to 115	1.05	120
115.1 to 150	1.04	150

ADA Entitlement	Grades 1-6 or 1-8 Factor	Maximum Allowed
0 to 25	2.0	40
25.1 to 50	1.6	75
50.1 to 75	1.5	105
75.1 to 125	1.4	150
125.1 to 150	1.2	165
150.1 to 175	1.1	175

INCREASED ENROLLMENT $2,033,000 (0.37%)
CRS 22-50-113.5

Provides 40 percent of a districts authorized revenue base times each pupil in excess of 3 percent or 350 (the lesser) that the current year's pupil count over the previous year's pupil count.

State share: $2,033,000
Local share:
Extent of Participation: 32 districts

LOW-INCOME/ADC $6,400,000 (1.18%)
CRS 22-50-113.3

Provides $125 per 1970 census per low-income child, plus current year ADC child in excess of 15 percent of a district's attendance entitlement count. It is important to note that these monies are not required by statute to be spent on low/income ADC children.

State share: $6,400,000
Local share: -0-
Extent of Participation: 140 districts

CURRENT AID PROGRAMS, N.E.C.

STATE CONTINGENCY RESERVE $100,000 (0.02%)
CRS 22-50-114

Provides payments to districts that can demonstrate need based on:

1. Financial emergencies caused by an act of God or financial emergencies arising from extraordinary problems in collection of taxes.
2. Any contingency that could not have been forseen at the time the budget was adopted.
3. Costs associated with isolated attendance centers and not covered under "small attendance center" funding.
4. Financial burden caused by court and welfare assigned pupils who formerly lived outside the district.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
BOARDS OF COOPERATIVE SERVICES $170,000 (0.03%) CRS 22-2-1 Each Board of Cooperative Services (BOCS) is a qualified intermediate operating unit. BOCS provide programs such as: education for handicapped children, vocational education, and other targeted programs as well as administrative services.	State share: $10,000 per BOCS Local share: Remaining cost of operating the BOCS Extent of Participation: 17 BOCS

CONNECTICUT

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Joan M. Martin, Education Service Specialist, Bureau of Research, Planning and Evaluation, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 29 percent of State and local revenues for public schools.

2. State aid for current operations is provided solely through annual appropriations. In addition $32.2 million in proceeds from the sale of State bonds were used for school building grants.

3. The equalization aid program was funded at 10 percent of its authorization level.

4. In 1978-79, State general education aid varied between $250 per pupil in the wealthiest town to $474 in the poorest town. Both income and property are used in measuring wealth.

5. Employer contributions to the Teacher Retirement Fund are made solely by the State and are not reported as an aid program to local units. These contributions amounted to $66,141,581 in 1978-79.

6. A program in bilingual education is the only new program funded by the State since 1975-76.

7. In Horton v. Meskill 172 Connecticut 615, 376A.(2d) (359 1977 affirmed a lower court decision that the existing school finance program violated the Connecticut Constitution, Article 1, Section 1 and 20 and Article VIII, Section 1. The court concluded that because the present legislation depends "primarily on a local property tax base without regard to the disparity in the financial ability of the towns to finance an educational program and with no significant equalizing state support (it) is not 'appropriate legislation' (Art. VIII, Section 1) to implement the requirement that the state provide a substantially equal educational opportunity to its youth in its free public elementary and secondary schools."

   Subsequently, the Court set a deadline of May 1, 1979 for the General Assembly to adopt a constitutional school aid plan. On April 26, 1979, a new legislative program was signed into law, effective with the 1979-1980 school year. This new law is designed to increase State school aid by $200 million over a five year period. In the first year $30 million in additional State aid will be provided. The State's equalization aid program will be strengthened and State aid for special education and transportation will reflect each town's ability to support these programs.

LOCAL SUPPORT

1. The State has 165 fiscally dependent school districts.

2. The State does not require a local contribution to the basic equalization program.

3. School budgets are approved annually by taxpayers at regional school district or town meetings or by their representatives on City councils.

4. The towns are not limited in the amount of funds which can be raised for school purposes.

5. Debt for school building projects may not exceed four and one-half times the annual receipts from taxation for the previous fiscal year.

STATE SUPPORT (cont'd)

8. The State is in the midst of a program of reassessment of property values. Connecticut Statutes, Sec. 10-261a, requires that by fiscal 1980 a new method of equalizing property values for state education equalization grants be in place. That method, known as the sales/assessment ratio study, compares the assessed values to the selling prices of fair market sales of real property, in each of the 169 towns and cities in Connecticut, in order to obtain an indication of the existing sales/assessment ratio in each municipality. These ratios are then used in the computation of the Equalized Net Grand List for the 169 municipalities.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $295,342,821 (100%)	
BASIC SUPPORT PROGRAMS	
PER PUPIL AID (State Aid to Towns) $151,076,916 (51.15%) Sec. 10-260 through 10-265, 10-53, P.A. 74-158 $250 per pupil in average daily membership for K-12 public school pupils. K-12 Regional School Districts receive an additional 10%.	State share: Grant Amount Local share: None Extent of Participation: 165 districts
EDUCATIONAL EQUALIZATION $ 40,000,000 (13.54%) Sec. 10-266c Each town's grant amount is equal to the product of the school tax rate times the difference between the adjusted equalized net grand list per capita for the town at the eighty-fifth percentile and the adjusted equalized net grand list per capita of the town, times the student population of the town, plus one-half of the total population. Each town shall be paid an amount equal to its proportionate share to the total amount.	State share: 100% Local share: None Extent of Participation: 144 towns at or below the 85th percentile will receive a grant during this fiscal year
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SPECIAL EDUCATION $ 51,428,651 (17.41%) Sec. 10-76a through g Two thirds of excess costs for educating handicapped and/or gifted children as defined in the law and regulations. Program is provided in the local public schools. However, pupils may be placed in public schools or nonpublic schools in another town or State. Sec. 10-76 g(b) Exceptional child applies to a child placed by any agency of the State in a group home or foster home as an alternative to placement in a Health facility or Institution. Placement must be made by Bureau of Pupil Placement and Special Education Services. The State pays 100% of net cost of Special Education according to a formula. P.A. 78-588 Children placed by any public agency without local involvement in a special education program offered by a child caring institution, agency or school. The town is reimbursed for program costs in excess of the average cost per pupil.	State share: Grant Amount Local share: Balance of cost Extent of Participation: 165 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
VOCATIONAL AGRICULTURE TUITION $1,403,331 (0.4%) Sec. 10-64 through 10-66 Only school districts with high schools receive ½ of Vo-Ag tuition paid by them. Towns operating Vo-Ag centers receive statutory costs. Tuition charged to a sending district not to exceed average per pupil cost for previous year for all secondary school grades in receiving district.	State share: ½ tuition paid by sending district Local share: ½ of tuition Extent of Participation: 14 centers 102 districts
REGIONAL EDUCATION SERVICE CENTERS $ 626,000 (0.21%) Sec. 10-66a-10-66e P.A. 78-17	
INCENTIVE GRANTS FOR CAREER AND VOCATIONAL EDUCATION $1,000,000 (0.34%) P.A. 78-220 Minimum $1,000 per school district or proration of local to State enrollment	State share: Grant Amount Local share: Balance of Cost
DISADVANTAGED CHILDREN (Public & Nonpublic) $7,253,414 (2.56%) 10-266a-e, j-i a. State Aid to Disadvantaged Children (SADC): The entitlement for each town is determined by multiplying the State appropriation by a ratio of the families with annual incomes of less than $4,000 in the town to the total number of such families in the State and the ratio of the number of families in the town receiving aid to dependent children to the total number of such families in the State.	State share: Grant Amount Local share: Balance of Cost not met by State and Federal funds Extent of Participation: 165 districts
b. Intercommunity Contracts (Sec. 10-266j): $250 in addition to the Per Pupil Grant and ½ cost of transportation up to $80, for each child sent out. Local boards apply by January 1 for current school year and include specifications and estimated costs of programs with the certification that funds so received shall be used for the purposes specified in the law for public and nonpublic schools in the town.	
c. Special Education programs and Other Municipal Purposes (Sec. 10-266K) Calculation same as for SADC (a; above) (Separate monies, not included above)	Extent of Participation: 169 towns

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
BILINGUAL EDUCATION $1,390,427 (0.47%) P.A. 77-588 School district with 20 or more students dominant in a single language other than English proficiency recieve a portion of the grant according to the number of such students reported to the State Department of Education.	State share: Varies according to appropriation Local share: Balance of Cost
ADULT BASIC EDUCATION $ 506,730 (0.17%) Sec. 10-73b	State share: Grant Amount Local share: Balance of Cost Extent of Participation: 30 Districts
ADULT EDUCATION $ 533,322 (0.18%) Sec. 10-52, 10-67 through 10-73a Calculation: ½ of director's salary not to exceed $2,500, total student clock hours ÷ 1260 x ADM Grant ($250 for 1977-78)	State share: Grant Amount Local share: Balance of Cost Extent of Participation: 78 Districts
PUPIL SUPPORT SERVICES	
TRANSPORTATION $13,243,495 (4.48%) P.L. 78-272 Section 1. Out-of-town Vo-Ag Center or Vo-Tech School ½ cost or $200 per pupil whichever is less. In-Town Vo-Ag or Vo-Tech - ½ the cost not to exceed $30 per pupil. Section 2. In-Town Elementary and Secondary School ½ cost not to exceed $30 per pupil. Section 3. Out-of-Town Public High School - for towns without high schools ½ cost or $35 per pupil whichever is greater. Section 4. To Regional Schools 55% of total cost. P.A. 78-3111 - Pupils Residing on State Tax Exempt Property Full cost, no limit.	State share: Grant Amount Local share: Balance of Cost

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Section 10-76 f-g Special Education pupils bused on special buses or routes 2/3 of excess cost. No dollar limit. If special education pupils are bused with regular in-town elementary and secondary pupils the reimbursement is ½ the cost not to exceed $30 per pupil.	
CHILD NUTRITION PROGRAM (School Lunch) $ 1,869,736 (0.63%) Sec. 10-215 through 10-215c (Public & Nonpublic) Match Federal funds	State share: Grant Amount Local share: Balance of Cost Extent of Participation: 1,003 Public Schools 102 Nonpublic Schools
DISTRICT CHARACTERISTICS	
STATE OWNED/LEASED PROPERTY $1,326,393 (0.45%) Sec. 10-366, P.A. 74-267 The amount by which the per pupil cost of education, including prorated share of payments on the principle of school bonds and notes, exceeds the grants per pupil and taxes received for such property for the same school year. Payments are for pupils who reside on State property and those placed by a State agency in a group home and are enrolled in the local school district.	State share: 100% of net cost Local share: None
CURRENT AID PROGRAMS, N.E.C.	
GRANT IN LIEU OF SUPERVISORY SERVICES $ 144,904 (0.05%) Sec. 10-159a ½ cost of operating supervisory services for the district as of June 30,1970 For districts with less than 35 teachers receiving State services on June 30, 1970.	State share: Grant Amount Local share: Balance of Cost Extent of Participation: 30 school districts
NONPUBLIC PUPIL AID $5,543,336 (1.87%) Sec. 10-215, 10-217a, 10-277, 10-281 (for nonpublic Child Nutrition Program, Sec. 10-215; and Disadvantaged Children, Sec. 10-266a, see these grants above) For non-profit schools with a majority of the pupils enrolled residents of Connecticut. a. Health and Welfare Services ($4,470,852) Sec. 10-217a 100% reimbursement for cost of specified health and welfare services to non-public school pupils which are provided to public school pupils in the town.	State share: 100% Local share: None Extent of Participation: 70 towns

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Pupil Transportation (Nonpublic) ($1,072,484)

Towns shall provide pupil transportation to in-town non-profit, private schools with a majority of pupils enrolled residents of Connecticut. However, the town is not required to expend more than double the amount spent to transport public school pupils.

1) In-town K-12 transportation
(Sec. 10-281, PA 74-257)

Calculation: ½ cost or $30 per pupil-whichever is less.

2) Out-of-Town high school

Towns that do not have a high school shall provide pupil transportation to out-of-town non-profit high schools.

(Transportation Sec. 10-277)

½ cost or $35 per pupil-whichever is greater

3) To a contiguous school district
P.A. 78-278

Local or regional boards of education may provide transportation to State Board of Education approved non-public elementary and secondary schools not conducted for profit located within the State of Connecticut, providing funds are not requested for any costs incurred for transportation beyond a contiguous school district.

Grant not to exceed $35 per pupil or a proration based on the numbers of pupils transported to the State total transported.

State share: Grant Amount

Local share: Balance of Cost

Extent of Participation: 70 towns

CAPITAL SUPPORT PROGRAMS

SCHOOL BUILDING AID $ 17,996,166 (6.09%)
Sec. 10-282 through 10-292
Sec. 10-65, 10-76e
P.A. 78-316
P.A. 78-352

1. Town School Districts:

40% to 80% of total eligible project and interest costs based on the town's adjusted equalized net grand list per capita for the following type school building projects:

a) Construction of new public elementary and secondary school facilities.

b) Extension and/or alteration to an existing school facility.

c) Purchase of an existing building for educational purposes.

New sites must be approved by the State Board of Education

State share: 40% to 80%

Local share: 60% to 20%

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
2. Regional School Districts: Up to 85% of total eligible project and interest costs based on the average adjusted equalized net grand list per capita of each member town within the region. a) Construction of new public elementary and secondary school facilities. b) Extension and/or alteration to an existing school facility. c) Purchase of an existing building for educational purposes.	State share: Up to 85% Local share: 15% plus
3. Specialized School Building Projects 100% of necessary cost as determined by the State Board of Education. a) Construction of a new cooperative regional special education facility. (Section 10-76e) b) Extension and/or alteration to an existing facility for a cooperative regional special education facility. (Section 10-76e) c) State assistance not to exceed $2,000,000 for cooperative regional special education facilities for each fiscal year. d) Construction of and the replacement or relocation of regional Vo-Ag Center facilities; State assistance not to exceed $300,000 for each fiscal year. e) Construction of an Occupational Training Center; not to exceed $100,000 for each fiscal year.	State share: 100% Local share: None
4. Site Acquisition Site must be approved by the State Board of Education.	
a) Town School Districts: 40% to 80% of the total eligible costs as determined by the State Board of Education.	State share: 40% to 80% Local share: 60% to 20%
b) Regional School Districts: Not to exceed 85% of the total eligible costs as determined by the State Board of Education.	State share: Up to 85% Local share: 15% plus
5. "Hardship" Loan or Grant: Amount needed to complete construction.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
6. Interest Subsidy:	
Interest in excess of 4% up to 6% on local bonds issued.	
For those school building projects whose bonds were issued after July 1, 1971, and those school building projects for which an application for review of preliminary plans and specifications was submitted prior to October 1, 1975, in the case of regional school districts.	
7. Codes (Handicapped, Fire Safety, Health):	
a) Town School Districts:	State share: 40% to 80%
40% to 80% of total eligible project and interest costs based on the town's adjusted equalized net grand list per capita.	Local share: 60% to 20%
b) Regional School Districts:	State share: Up to 85%
Up to 85% of total eligible project and interest costs based on the average adjusted equalized net grand list per capita of each member town within the region.	Local share: 15% plus

DELAWARE

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

James Spartz, State Director, Finance and School Services Division, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 74 percent of the State-local revenues for elementary and secondary public schools are provided by the State.
2. State revenues for public schools are provided by annual appropriations.
3. The State has no equalized guaranteed aid program.
4. Programs for the severely mentally handicapped, the autistic and the deaf-blind have been initiated by the State since 1975-76.

LOCAL SUPPORT

1. The State is composed of 16 fiscally independent school districts.
2. Approximately 90 percent of local revenues are from property taxes. In 1978-79, the following sources provided the remainder: per capita taxes 1.1%, tuition 3.6%, interest 0.5%, rental income 0.1%, athletic funds 0.6%, all other 4.1%.
3. For 1978-79, the local school districts raised $63,990,000 for public school none of which was required as a contribution to the State basic support program.
4. A district voter approval is required for increasing the school tax rate.
5. There is no maximum levy or rate limit for school purposes.
6. School bond limit is 10 percent of a school district's taxable property.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL	$184,323,000 (100.00%)

BASIC SUPPORT PROGRAMS

DIVISION I - SALARIES	$ 99,040,000 (53.73%)
DIVISION II - OTHER COSTS	$ 15,630,000 (8.47%)

(Title 14, Chapters 13 & 17, School Laws of Delaware)

Instructional staff salaries regular . . . . Scheduled amount per teacher:

Level of Preparation	Teacher Experience		Years to reach maximum
	Beginner amount	Maximum amount	
No degree	$ 8,269	$10,971	10
Bachelor's	8,810	11,511	10
Bachelor's + 15 hrs.	9,215	11,916	10
Bachelor's + 30 hrs.	9,620	12,321	10
Master's	9,890	12,591	10
Master's + 15 hrs.	10,294	12,996	10
Master's + 30 hrs.	10,700	13,404	10
Master's + 45 hrs.	10,971	13,674	10
Doctorate	11,240	13,944	10

Teachers employed on extended term . . . . 10 percent additional for each extra month.

Administration and supervision salaries . . . . Scheduled amount per position from a separate salary schedule.

Clerks, nurses, custodians, and school-lunch employees . . . . Allowance as per appropriate separate salary schedule.

School costs other than debt service and transportation . . . . . Funding for Divisions I, II, and III is based upon enrollment on September 30 with funding units as follows:

Instructional Units

Kindergarten . . . . . . 1 unit each 46 pupils, ½ day attendance.
Elementary grades . . . 1 unit each 24 pupils, grades 1-3.
1 unit each 25 pupils, grades 4-6.
Secondary grades . . . . 1 unit each 20 pupils, grades 7-12.

State share: 100 percent of calculated amount. Based on schedules fixed by law.

Local share: None. Federal funds for Public Law 874 are not used to establish or reduce the amount of State aid.

Extent of Participation: All 16 school districts in the State.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Special Education Instructional Units (Est. $33,760,000)

Educable Mentally Handicapped	1 unit for each 15 pupils
Socially or Emotionally Maladjusted	1 unit for each 10 pupils
Learning Disabilities	1 unit for each 8 pupils
Blind	1 unit for each 8 pupils
Autistic	1 unit for each 4 pupils
Severely Mentally Handicapped	1 unit for each 6 pupils
Orthopedically Handicapped	1 unit for each 6 pupils
Trainable Mentally Handicapped	1 unit for each 6 pupils
Partially Sighted	1 unit for each 10 pupils
Partially Blind	1 unit for each 8 pupils
Partially Deaf	1 unit for each 6 pupils
Deaf-Blind	1 unit for each 4 pupils
Homebound	Cost paid by State

Vocational Education (Est. $15,653,817)

DIVISION II - OTHER COSTS . . . . $2,160 per unit

EQUALIZATION (DIVISION III) $4,531,000 (2.46%)
(Title 14, Chapter 17, School Laws of Delaware)

Equalization of School Support . . . .

$1,500 per unit, amount authorized. Local share based on full valuation of real estate per pupil. State share is 10% of the unit to the highest ranked district and ranges to 90% for the lowest.

State share: 100 percent of the amount authorized minus the local share except that in no case shall the State share be less than 10 percent nor more than 90 percent of the authorized amount.

Local share:

$$\frac{\text{District full valuation per pupil}}{\text{State full valuation per pupil}} \times (.5) \times (\$1,500)$$

Extent of Participation: All districts

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

Special Education . . . . See Basic Support Programs

Vocational Education . . . . See Basic Support Programs

PUPIL SUPPORT SERVICES

TRANSPORTATION 14, Ch. 29, Secs. 2901-2904 $10,625,000 (5.76%)
Ch. 31, Secs. 3102-3104, Delaware Code
Annotated, Revised 1956 . . . .

Elementary pupils (K-6) eligible if over one mile from school; secondary pupils eligible if over two miles from school.

State share: 100 percent of contractual obligation except for students enrolled at special schools.

Local share: None, except for students enrolled in special schools where districts pay total cost.

Extent of Participation: All districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
EMPLOYEE BENEFITS		
EMPLOYEE BENEFITS (FICA, Pension, Blue Cross)	$28,396,000 (15.41%)	
CURRENT AID PROGRAMS, N.E.C.		
CONTINGENCY (Annual Budget Act)	$ 1,584,000 (0.86%)	State share: 100 percent of calculated amount. Local share: None
DEPARTMENT STAFF & ADMINISTRATION	$ 1,593,000 (0.86%)	
OTHER SERVICES TO SCHOOLS (Homebound, Teacher Substitutes, Computer Educ., Del-Med. Sci., Pregnant Students, Testing, Work Study, Films, Non-Public Driv. Educ., Youth Org., Educ. Compact.)	$ 1,439,000 (0.78%)	
NON-PUBLIC TRANSPORTATION	$ 1,848,000 (1.00%)	
CAPITAL SUPPORT PROGRAMS		
DEBT SERVICE (State Share of Construction)	$19,637,000 (10.65%)	State share: 60 percent of debt service for approved construction for all districts. Special and Vocational school construction is 100% State funded. Local share: 40 percent of debt service incurred by a school district. Special and Vocational school construction is 100% State funded. Extent of Participation: All districts.
SCHOOL BUILDING MAINTENANCE AND MINOR CAPITAL PROGRAM ($1,985,000 provided in FY '79 Bond Act, not part of current operations budget.) This amount represents the anticipated proceeds of bond sales. Requirements for participation: Approval of projects by State Board of Education.		State share: 60 percent of costs incurred for minor capital improvements. Local share: 40 percent of costs incurred for minor capital improvements. Extent of Participation: All districts

FLORIDA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

William J. Connolly, Administrator, Planning, Research and Evaluation, Division of Public Schools, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 61 percent of the State-local revenues for elementary and secondary schools were provided by the State.

2. State appropriations have been provided annually but starting in July 1979 appropriations will be made on a biennial basis. For FY 1979, the sources of school funds were as follows: General Revenue Fund 88%, Federal Revenue Sharing 5%, State School Trust 0.4%, Public Education Capital Outlay/Debt Service Trust 6%.

3. The State's basic aid equalization program guarantees 91.4 percent per weighted full time equivalent pupil (FTE). This guarantee amount is $899 per FTE, exclusive of local district cost differentials.

4. The State reports that its equalization program has reduced expenditure disparities among school districts. In 1975-76 the difference in expenditures between the highest spending district ($877) and the lowest spending district ($719) amounted to a 22 percent disparity. By 1978-79, districts spent from a high of $1,058 to a low of $897, and the expenditure disparity was reduced to approximately 18 percent.

5. The following new programs have been funded by the State since 1975-76:

   - Student Development Services
   - State Compensatory Education Supplement
   - School Volunteer Program
   - Law Education
   - Education Improvement Grants - for district projects on school-based management, district and school advisory committees and school volunteer programs.

LOCAL SUPPORT

1. The State has 67 fiscally independent school districts.

2. All local receipts are provided by property taxes, except for minor fees paid for adult vocational education amounting to $4,787,030 in 1978-79.

3. Counties may apportion all or part of the receipts of horse and dog racing to their school boards.

4. Estimated total local school revenues for 1978-79 are $877,666,000. Of this amount, $708,851,071 is the local contribution to the basic equalization program and the balance is estimated leeway revenue.

5. The State required a 6.4 mill levy for participation in the basic support program. The maximum board levy without voter approval is 8.0 mills. Voter approval is required for any additional levy up to the constitutional limit of 10 mills. This maximum may be authorized for a two year period.

6. Florida State Board of Education Rules limit bonded indebtedness to 10 percent of the nonexempt district valuation and the amortization period to not more than 20 years except with specific approval of the State Board.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$1,368,197,614	(100%)

BASIC SUPPORT PROGRAMS

FLORIDA EDUCATION FINANCE PROGRAM (FEFP) Legal Authorization: Section 236.012 - 236.68, Florida Statutes	$1,161,449,028	(84.89%)

Base Student Allocation

The base student allocation (BSA) is determined annually by the Legislature. For 1978-79, the BSA is set at $899. However, BSA may change depending on student enrollment and level of program funds.

Distribution of State funds takes into account:

	K-12	Adult
1. full-time equivalent member in each program; multiplied by	Yes	Yes
2. the cost factor for each program; multiplied by	Yes	Yes
3. the base student allocation; plus	Yes	Yes
4. the sparsity supplement (not funded in 1978-79); multiplied by	Yes	Yes
5. the district cost differential; plus	Yes	Yes
6. the minimum level funding	Yes	*Yes

*Vocational Adult Supplemental not considered

Determination of full-time equivalent membership

During each of several specified school weeks during the fiscal year, a program membership survey of each school is made by each district by aggregating the full-time equivalent student membership of each program by school and by district.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share for the support of public education is determined in the following manner:

1. From the basic amount for current operation (determined in steps 1-6 in the column to left) subtract the required local effort.
2. To the remainder which is the State share of the basic current operation; add
3. the categorical program funds; add
4. any special allocations due; add
5. the constitutional capital outlay and debt service funds.

The result is the total State allocation to public schools.

Required local effort. The amount that each district shall provide (required local effort) toward the cost of the Florida Education Finance Program is calculated in the following manner.

Annually, on or before July 10, the Department of Revenue shall certify to the Commissioner of Education its most recent estimate of nonexempt assessed valuation of each school district for the current calendar year based on the latest available data obtained from local property appraisers. Upon receipt of these data, the Commissioner shall calculate each district's local required effort by computing 95% of each district's nonexempt assessed valuation and multiplying the product by the millage rate prescribed in the annual General Appropriations Act. Additionally, an amount equal to $120 per adult vocational education unweighted FTE is added to and becomes part of each district's local required effort.

In 1978-79 district local required effort is 6.4 mills for the K-12 program and $120 per unweighted vocational FTE for adult program.

Estimated local contribution: $708,851,071

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Program cost factor . . . .

	Cost Factors
Basic Programs:	
Kindergarten and Grades 1, 2, and 3	1.234
Grades 4, 5, 6, 7, 8, and 9	1.00
Grades 10, 11, and 12	1.09
Educational Alternatives	2.00
Special Programs for Exceptional Students:	
Educable mentally retarded	2.26
Trainable mentally retarded	2.91
Physically handicapped	3.40
Physical & occupational therapy, part-time	6.47
Speech and hearing therapy, part-time	9.19
Deaf	3.92
Visually handicapped, part-time	10.48
Visually handicapped	3.54
Emotionally disturbed, part-time	6.98
Emotionally disturbed	3.59
Specific learning disability, part-time	6.68
Specific learning disability	2.33
Gifted, part-time	2.91
Hospital & homebound, part-time	14.14
Profoundly handicapped	15.00
Special Vocational-Technical Programs -- Job Preparatory:	
Vocational Education I	3.76
Vocational Education II	2.44
Vocational Education III	2.03
Vocational Education IV	1.61
Vocational Education V	1.44
Vocational Education VI	1.06
Special Vocational-Technical Programs -- Adult Supplemental:	
Vocational Education I	3.01
Vocational Education II	1.95
Vocational Education III	1.62
Vocational Education IV	1.29
Vocational Education V	1.15
Vocational Education VI	.85
Special Adult General Education Programs:	
Adult basic education and adult high school	1.21

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

For 1978-79 appropriated program dollars were calculated as follows:

	Unweighted Full-Time Equivalent Members	Weighted Full-Time Equivalent Members *	Dollars **
Basic Program	1,379,849	1,517,604	1,364,919,105
Exceptional	54,769	224,792	202,175,206
Vocational - Job Preparatory	144,585	287,106	258,219,826
Vocational - Adult Supplemental	7,630	12,650	11,377,160
Adult Basic and High School	30,945	37,444	33,676,743

* The Weighted Full-Time Equivalents are the maximum number authorized in each category.

** Includes the required local effort of $708,851,071.

Does not include:
1) Adjustment for district cost differential of $4,340,376
2) General and transitional categorical programs
3) Prior year adjustments

District cost differential . . . . . ($4,340,376)

The Commissioner of Education annually computes the cost differential for each district. In calculating the differentials, the Commissioner obtains the Florida Price Level Index for the most recent 3 years. The average 3-year index for each district is used as the base in calculating the cost differential. In 1978-79, range from a low of .9412 to a high of 1.0716.

Sparsity supplement . . . .

Annually, in an amount to be determined by the Legislature through the General Appropriations Act, there shall be added to the basic amount for current operation of qualified districts a sparsity supplement. The index of extra cost to school districts due to sparsity of pupil population for equivalent educational programs shall be computed as follows:

$$\text{Sparsity factor} = \frac{1101.8918}{\text{2700 plus the sparsity index of the district}} \quad \text{minus } .1101$$

Districts with a sparsity index of 1,000 or less shall be computed as having a sparsity index of 1,000 and districts having a sparsity index of 7,308 and above shall be computed as having a sparsity factor of 0.

The district sparsity index shall be computed by dividing the total number of full-time equivalent students in all programs in the district by the number of senior high school centers in the district, not in excess of three. The senior high school centers are approved as permanent centers by a survey made by the Department of Education.

State support: The sparsity supplement is not funded in 1978-79.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Minimum level funding . . . . ($5,272,433) The minimum level of funding for 1978-79 assures that the dollar amount per unweighted FTE each district is allocated will be at least 107.25% of the amount received per unweighted FTE in 1977-78. However, a district whose wealth (assessed valuation) per weighted FTE is 20% greater than the State average wealth per weighted FTE is not eligible for no-loss funding. Four districts are ineligible based solely on wealth per weighted FTE. These districts enroll 38,552.54 unweighted FTE. State average is $1,249 per unweighted FTE.	Extent of participation: 8 Districts with FTE of 501,634 are eligible.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special education . . . . See Basic Support Program Vocational education . . . . See Basic Support Program Adult education . . . . See Basic Support Program	
DIAGNOSTIC AND RESOURCE CENTERS $ 652,965 (0.05%) Legal Authorization: Section 229.832, Florida Statutes	
BASIC SKILLS AND FUNCTIONAL LITERACY COMPENSATORY SUPPLEMENT $26,500,000 (1.94%) Legal Authorization: Section 236.088, Florida Statutes Supplemental funds are provided to each school district to be used for the sole purpose of providing direct remedial instruction to those students in the K-12 program who have need of special educational assistance in order that their level of educational attainment may be raised to that appropriate for their age.	State share: The supplement is provided in State funds to Florida's 67 school districts. Funds are allocated proportionately to each school district on the basis of the number of students in grades 3, 5, 8, and 11 whose scores on the statewide student assessment tests are at the 25th percentile or below.
LAW EDUCATION PROGRAM $ 150,000 (insig.) Legal Authorization: Section 633.0615, Florida Statutes This program provides funds on a grant basis to districts and individual schools for establishment of law education programs. Local matching funds are not required. However, priority shall be given those programs which provide for coordination with other agencies and organizations concerned with law education or with the criminal and juvenile justice system of the State of Florida.	
DISTRICT ENVIRONMENTAL EDUCATION PROGRAM $ 285,315 (0.02%) Legal Authorization: Section 229.8055, Florida Statutes The program provides the stimulus among students, teachers, and administrators for a new awareness of man's relationship to his environment. Each school district may submit program project proposals to the Department. Distribution of funds is on an approved project basis. In practice, all 67 school districts participate in the program. Project funding ranges from $500 to $10,000.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL SUPPORT SERVICES	
STUDENT TRANSPORTATION $51,520,415 (3.77%) Legal Authorization: Section 236.083, Florida Statutes Each district has a unique allowable per student cost derived from several factors. These factors include annual cost data; bus mileage, both loaded and unloaded. The cost factors used in determining allowable per student cost will be revised annually by the Department. Additionally, the State Board may permit an allowance of 15¢ per mile for transportation of isolated students in passenger cars. Calculation of a district transportation allocation considers public school students who: 1) Live 2 miles or more from school; 2) Are physically handicapped - regardless of distance to school; 3) Are vocational or exceptional students transported from one school center to another.	State share: The transportation allocation to each district is calculated by multiplying each district's allowable per student cost by the number of transported students.
COMPREHENSIVE HEALTH EDUCATION PROGRAM $ 1,016,709 (0.08%) Legal Authorization: Section 233.067, Florida Statutes The program is designed to foster development and dissemination of educational activities and materials which will assist Florida students, teachers, and administrators in the perception, appreciation, and understanding of health principles and problems.	State share: Allocations to each district are made on a project basis and within the amount appropriated annually by the Legislature. While local matching of State funds is not required, local districts are urged to use funds appropriated for this purpose from all sources, Federal, State, local, and private.
STUDENT DEVELOPMENT SERVICES $16,706,156 (1.22%) Legal Authorization: Section 236.089, Florida Statutes Student development services may include any or all of the following: career education, elementary guidance counselors, occupational specialists, and placement specialists.	State share: The Department of Education shall allocate an amount prescribed annually by the Legislature to each district in the same ratio as the unweighted FTE membership in established program categories.
INSTRUCTIONAL MATERIALS $20,001,419 (1.46%) Legal Authorization: Section 236.122, Florida Statutes For support of K-12 instructional materials.	State share: The amount allocated to each district is calculated using per FTE allocation factors established annually by the Legislature in the General Appropriations Bill. For 1978-79, the per FTE allocations are: 1) Growth - $51.23 2) Maintenance - $21.60
SCHOOL LUNCH PROGRAM $ 3,953,239 (0.29%) Legal Authorization: Section 228.195, Florida Statutes	State share: To meet matching requirements under the Federal school lunch program.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DISTRICT CHARACTERISTICS District cost differential . . . . See Basic Support Program Sparsity Factor . . . . See Basic Support Program	
CURRENT AID PROGRAMS, N.E.C. COMMUNITY SCHOOLS \$ 1,896,000 (0.14%) Legal Authorization: Section 228.071, Florida Statutes The community school promotes a more efficient use of school and other public facilities through an extension of personnel, buildings, and equipment. The State's role is to provide leadership and financial support by encouraging and assisting local school districts. Funds in support of the program are distributed to school districts on an approved grant basis. The Florida School for the Deaf and Blind is also eligible for consideration in grant awards.	State share: The State funds approved programs at \$6,000 per community school annually or one half of the community school's coordinator's salary, whichever sume is less.
EDUCATIONAL IMPROVEMENT GRANT PROGRAM \$ 501,860 (0.04%) Legal Authorization: Section Florida Statutes This program provides funds for educational improvement projects originating at the school district. Examples of activities which could be funded include: school management improvement, school advisory committee improvement, and school volunteers.	State share: The program is on an approved grant basis and does not require district matching funds. The Commissioner of Education is the approving authority for district grant proposals and may direct funding of grants at a level of no less than \$500 and no more than \$5,000 per grant from funds appropriated.
CAPITAL SUPPORT PROGRAMS COMPREHENSIVE SCHOOL CONSTRUCTION \$ 83,564,508 (6.11%) Article XII, Section 9(a), of the Costitution of the State of Florida and Section 235.435, Florida Statutes, provide comprehensive school construction and debt service funds to Florida school districts. For 1977-78, \$66,989,779 was allocated for approved capital outlay projects for school districts. Of this amount \$1,500,000 is for projects for the trainable mentally retarded, severely mentally retarded, deaf, and physically handicapped. In addition, for 1977-78, \$23,568,989 was allocated for approved capital outlay projects for designated area vocational-technical centers.	The annual allocation to each district is determined as follows: (1) Determine the cost of the projected school plant needs, the five year projected debt service needs on voted ad valorem bonds, and the expenditures of ad valorem taxes in excess of 10 mills for each district for the past five years. Funds budgeted from current ad valorem tax revenue will not be considered in determining the unmet need. (See Section 235.435 (1), F.S.) (2) Determine the projected additional resources available under the provisions of Section 9(d), Article XII of the State Constitution as amended in 1972, and the projected amount available to each district from other fund sources allocated for school plants.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Article XII, Section 9(d), of the Constitution of the State of Florida provides capital outlay and debt service funds for school districts. It specifies that the first proceeds of the revenues derived from the licensing of motor vehicles shall be distributed annually among the school districts in the ratio of the number of instruction units. These funds may be pledged for the payment of State Board of Education bonds.	(3) From the costs of the projected school plant and 5-year projected debt service needs on local bond issues for each district subtract the projected additional resources available and add the expenditure of ad valorem taxes in excess of 10 mills. The result represents the estimated cost of unfunded school plant and debt service needs for each district. (4) The funds are allocated to the respective districts in proportion to their percentage of the State total of unfunded school plant and debt service needs. For distribution purposes, the 1967-68 school fiscal year was established as a base year with districts receiving $600 per instruction unit up to the 1967-68 total and $800 per instruction unit for those units above the base. The units beyond the base are designated "growth units." Section 236.602(1), Florida Statutes, specifies the procedures for computing instruction units from FTE's. The number of current instruction units in districts is computed annually by the Department by multiplying the number of full-time equivalent students in each district by the program cost factors (Section 236.081(1)(c), Florida Statutes) and dividing by twenty-three, except that all basic program cost factors shall be one, and the special program cost factors for hospital and homebound part-time and for adult community service shall be zero. Any portion of the fund not expended during any fiscal year may be carried forward.

GEORGIA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Cal Adamson, Associate State Superintendent, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 64 percent of the State-local revenues for elementary and secondary public schools.
2. State funds for public schools are derived solely from annual appropriations.
3. The Adequate Program for Education in Georgia (APEG) is the State's basic education program adopted in 1975. It was anticipated that the full funding of its various provisions were to occur as State revenues grew. To date, it has not been fully funded.
4. All homesteads in Georgia qualify for a $2,000 exemption. More substantial exemptions are granted to disabled veterans and homeowners aged 65 and over. An additional statewide exemption for homeowners aged 62 and over applies only to assessments for county school district levies for maintenance and operation.
5. The following are new education programs funded by the State since 1975-76: kindergarten; compensatory education, instructional aides for primary grades and funds for building renovations.
6. In the court case, Thomas v. Stewart, filed in 1975, the plaintiff challenges the State system of funding education and claims it violates the State constitution. It is alleged that the property taxes are raised and expended in a nonfiscally neutral manner. The case is awaiting trial.

LOCAL SUPPORT

1. There are 159 fiscally independent and 28 fiscally dependent school districts.
2. Approximately 98 percent of local revenue for independent districts is raised through local property taxes.
3. Local revenues raised for public schools amounted to $558,734,487 in 1978-79. Of this amount, the required local contribution to APEG amounted to $78,550,000. The balance of the funds are unequalized local leeway revenues.
4. The minimum State required levy for participation in the basic support program is 2-1/2 mills. The maximum board levy without voter approval is 20 mills. Any additional levies require a simple majority vote of the district voters.
5. A district's debt limit is equal to 10 percent of the assessed value of a districts' property.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $859,494,382 (100%)

BASIC SUPPORT PROGRAM

ADEQUATE PROGRAM FOR EDUCATION IN GEORGIA
(Chapter 32-6A, Acts 1974, p. 1045) $677,941,031 (78.87%)

Teachers' Salaries
(32-656a)

Scheduled amount per employed teacher allotted:

Teacher Training	Amount with Min. Exp.	Amount with Max. Exp.
Bachelor's degree	$8590	$11597
Master's degree	9707	13315
6-yr. certificate	11725	15033
7-yr. certificate	12971	16751

Schedule as adopted by the State Board of Education.

Teacher Units ($397,986,790)
Grades 1-2 (32-610a) 1 teacher unit for each 20 pupils in ADA
Grades 3-12 (32-610a) 1 teacher unit for each 25 pupils in ADA.

Special Education (32-605a) ($54,246,426)
Additional teacher units allotted on a parity formula.

Student Services ($67,749,583)
Support, administrative and supervisory personnel [curriculum directors, visiting teachers, principals, librarians, counselors, etc.] (32-620a) 32-620a;)

1 - personnel unit for each 200 pupils in ADA.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Calculated amount minus local share.

Local Share: Under the APEG Act the local systems of the state absorb a portion of the cost of the Adequate Program for Education. Each system in Georgia shares in the cost of the Adequate Program for Education according to the following formula:

> The State Board of Education calculates annually the amount of funds that each local unit of administration shall be required to raise to support its Adequate Program for Education in Georgia. Effective for the 1975-76 school year, beginning 7-1-75, and for each year thereafter, the amount of such funds to be raised by each local unit of administration shall be calculated by multiplying the total equalized adjusted school property tax digest of each local unit of administration by a percentage factor selected to produce a statewide required local effort of $78,550,000. The State Auditor shall furnish to the State Board of Education the sums of the current equalized adjusted school property tax digests. The sums of the current equalized adjusted school property tax digests, as shown on the State Auditor's Ratio Study Reports, which are due on November 15 immediately preceding the beginning of a school year shall be used to make the calculations required for each school year.
>
> For the 1978-79 year Basic APEG items amount to $756,491,031. The total required local effort for all systems is $78,550,000. The state pays the remainder of the cost of $677,941,031. Each system's required local effort is computed as explained above.

Extent of participation: All districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
Kindergarten ($23,997,175) (32-607a) Funds are allotted for teaching units.	
Instructional Media ($16,088,995) (32-613a) $400 for each teacher unit allotted for grades 1-12 and special education.	
Instructional Equipment ($ 655,929) (32-614a) Funds are allocated for purchasing special instructional equipment on the basis of $.75 per projected ADA in grades 1-12 and exceptional children in self-contained classrooms.	
Maintenance and Operation ($68,388,229) (32-615a) $1700 for each teacher unit allotted for grades 1-12 and special education.	
Leave (Sick & Personal) ($ 5,027,811) (32-616a) $125 for each teacher unit allotted for grades 1-12 and special education.	
Travel Expense ($ 743,387) (32-617a) Funds are allotted to systems for personnel authorized for travel on the basis of $.85 per pupil in ADA. Funds are requisitioned for actual expenditures, but may not exceed amount allocated.	
Pupil Transportation ($42,837,799) (32-625a) Funds are allotted in accordance with a schedule of standard transportation costs developed to assure economical and efficient pupil transportation programs. The minimum program for each county is defined in terms of the number of buses needed and the annual mileage required to operate the minimum service. Financing of the minimum program is based on standard costs developed in the areas of driver benefits, bus replacement and other maintenance and operating expenses. Driver salaries and related costs are based on a minimum salary of $2729 annually. Other standard operating costs are developed from the experience data provided by local administrative units.	
Isolated Schools ($ 218,907) (32-625a) Isolated schools approved by the State Board of Education according to State Board policies receive additional teacher units and maintenance, operation and leave funds.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
Special Education... See Basic Support Program		
SEVERELY EMOTIONALLY DISTURBED	$6,071,115 (0.70%)	State Share: 100 percent
TUITION FOR MULTI-HANDICAPPED	$ 622,000 (insig.)	State Share: 100 percent
EDUCATIONAL TRAINING SERVICES FOR MENTALLY RETARDED	$ 20,000 (insig.)	State Share: 100 percent
VOCATIONAL QUICK START	$1,500,000 (0.17%)	State Share: 100 percent
VOCATIONAL CURRICLUM RESEARCH	$ 24,503 (insig.)	State Share: 100 percent
VOCATIONAL EDUCATION FOR SPECIAL DISADVANTAGED	$ 926,062 (0.10%)	State Share: 100 percent
COMPENSATORY EDUCATION	$12,746,747 (1.48%)	State Share: 100 percent
INSTRUCTIONAL AIDES	$7,066,407 (0.82%)	State Share: 100 percent
PUPIL SUPPORT SERVICES		
Transportation.........See Basic Support Program		
Instructional Media and Equipment... See Basic Support Program		
SCHOOL LUNCH	$12,580,000 (1.46%)	State Share: 100 percent
EMPLOYEE BENEFITS		
TEACHER RETIREMENT	$53,824,431 (6.26%)	State Share: 100 percent
TEACHER'S HEALTH INSURANCE	$14,750,000 (1.71%)	State Share: 100 percent
DISTRICT CHARACTERISTICS		
Isolated Schools ...... See Basic Support Program		State Share: 100 percent
CURRENT AID PROGRAMS		
OTHER STATE FUNDS (Chapter 32-6A, Acts 1974, and other legal citations too numerous to list)	$ 8,103,824 (0.94%)	
Staff Development	($ 981,950)	State Share: 100 percent of allowable amount of funds
Superintendents Salaries	($ 3,500,154)	Local share: No local support necessary for participation in most programs; however, all costs for programs in many systems are not covered by State funds.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Cooperative Educational Services Agencies	($2,556,720)
Teacher Assessment	($ 595.000)
Comprehensive Planning	($ 220,000)
Competency - Based Graduation Requirements	($ 250,000)

CAPITAL SUPPORT PROGRAM

CAPITAL OUTLAY FUND (Chapter 32-6A, Acts 1974, Code Section 648a)	$63,318,262 (7.36%)
Growth and Consolidation	($44,828,787)
Renovation	($13,043,275)
Comprehensive High Schools	($ 5,446,200)

All schools systems must have a comprehensive study within two years preceding an application for capital outlay funds. Local boards of education, in making application for state outlay funds, must follow the recommendation of the study team. The system must have outstanding bonds equal to or exceeding 14 percent of system's bonding capacity to be eligible for Growth and Consolidation funds. Renovation project must meet the same requirements but cannot exceed 60% of the cost of new construction. Projects are restricted to classrooms, library rooms, sanitary facilities, lunchroom facilities, assembly facilities when used in conjunction with lunchrooms, mechanical improvements, and the equipment necessary for the projects.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Funds for Growth and Consolidation are allotted to eligible systems on the basis of 78 square feet per pupil increase in average daily attendance since the last capital outlay allotment made to individual systems. Square feet allotments for consolidation made on a graduated scale formula. Allocations per square foot is $28 including 6 percent for architect fees and 5 percent for contingencies.

Local share: No required amount on specific projects for Growth and Consolidation, however, systems must meet all state requirement. Matching funds are required for comprehensive high schools.

Extent of participation: Eligible districts.

HAWAII

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Ichiro Fukomoto,Director, Planning Services Branch, Hawaii Department of Education, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

1. Hawaii is unique among the fifty States in that it has a single fully State-funded and operated public school system. It has no local tax revenue for schools and no local boards of education responsible for their operation.

2. All public school functions are centralized and administered through the State Department of Education which is headed by a nine-member elected Board of Education. Seven board members are elected at large from Oahu and two are elected at large from the other islands. The Executive Officer for the Board of Education is the State Superintendent of Education who is appointed by the Board of Education and serves at its pleasure.

   Under the State Superintendent of Education are seven district superintendents--each directly responsible for the schools of his district. The seven administrative school districts of the Department of Education are:

   First District - Island of Hawaii
   Second District - Islands of Maui, Molokai and Lanai
   Third District - City of Honolulu
   Fourth District - Central Oahu
   Fifth District - Leeward Oahu
   Sixth District - Windward Oahu
   Seventh District - Islands of Kauai and Niihau

   There is a School Advisory Council for each district. The members are appointed by the Governor.

3. The State school system includes 223 regular schools and 8 special schools which together enroll approximately 173,000 students in kindergarten through grade 12. These schools are scattered throughout the seven principal islands of the Hawaiian Archipelago.

4. The revenues for the operation of the public schools are appropriated by the Legislature along with the designation of authorized positions. Funds for current operating costs are appropriated from the State general fund, from the special funds (lunch fees and adult education fees) or from available Federal funds. Hawaii's Legislature appropriates by:

   a. Covering two fiscal years (FY 1977-78 and FY 1978-79) instead of one fiscal year.

   b. Integrating the operating and capital requirements for each program as well as appropriating funds for capital improvements for each specific school project.

5. The biennial public school (lower education) operating and capital improvement budgets are prepared for the Department of Education in the form agreed upon with the Department of Budget and Finance and by a process that involves budget requests by each school and district administrative staff. Joint budget review hearings are held with State board members, Department of Education administrators and Department of Accounting and General Services representatives participating.

   In these hearings educational needs and budget requirements for each of the administrative districts and of the State as a whole are publicly aired. After final review and approval by the Board of Education and the Governor, the biennial budgets for public (lower) education are presented to the Legislature as part of the Governor's Executive Budget.

6. The Department of Education is responsible for the resource allocation of funds and positions to the seven administrative districts and for statewide services in line with the policies of the Board of Education. The administrative districts in turn allocate resources to individual schools. The resources allocations to districts are based on such need factors as number

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of pupils enrolled, changes in enrollment, isolation factors, program growth or improvement needs, and past experiences in resource allocation. The allocation process involves discussion and negotiations among the administrators of the seven administrative level administrators.

7. Public School Expenditures - 1978-79

Basic support	$143,132,993
Special education	14,178,187
Compensatory education	13,393,273
Adult education	2,412,449
Transportation support	8,309,589
Health & guidance	12,702,000
Textbooks, instructional materials & media	7,258,647
Food services	24,137,376
Instructional staff support	11,810,000
Capital grants	32,478,000

8. The public schools of Hawaii are funded almost entirely (85%) with appropriations from the State Legislature. Funds are derived from personal income, sales and excise taxes that are levied by the State government. Local taxes that are collected by the four county governments are not used to finance any part of the public school system. Instead, those funds are used to support a wide range of municipal operations, e.g., fire protection, police protection, parks and recreation. Property taxes accrue to the county governments to carry out county operations. Because public education is a function of the state government rather than the counties, not a single dollar from property tax collections is used to support the public schools.

There is one other source of support--an in-kind support of sorts--for our public school system which may be unique nationally. It is the practice of assigning students to perform lunch room services on a required and rotation basis without pay. This practice, which goes back to the early days of Hawaii public school system, has been continued over the years with a view towards keeping the cost of a regular meal at the lowest level possible and providing students with some organized non-classroom experiences in school. The price of a regular meal now stands at $.25 for students.

9. State funds for the operating and capital improvements budgets are appropriated to the Department of Education by the State Legislature. Those funds are later released or restricted by the Governor. Funds that are released are received by the State superintendent, on behalf of the Board of Education and the Department of Education. Under this funding arrangement, the Board of Education has no independent taxing authority. Nor does it have the authority to independently spend funds that are appropriated by the State Legislature other than those funds that have been released by the Governor. The board may seek the release of restricted funds through its power of persuasion since it has no constitutional power to override the action taken by the Governor to restrict the use of appropriated funds.

IDAHO

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

V. Reid Bishop, Associate State Superintendent, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 67 percent of the State-local revenues for elementary and secondary public schools were provided by the State.

2. State appropriations for public schools are made annually. For 1978-79 additional income was provided by the following sources:

Public School Endowment Fund	$8,306,291
Public Lands Income	3,948,648
Income from Mineral Leases	2,272,535
Railroad Car Company Taxes	65,160
Surplus Liquor Funds	440,730
	$15,033,364

   Categorical support for Driver Education was provided in the amount of $871,060 from Driver License Fees.

3. The State rebated to counties an estimated $22,000,000 to offset losses in local revenues as a result of the passage of a State sales tax: School districts share in the apportionment of these funds was $10,674,600.

4. A program of permanent property tax relief was provided by House Bill No. 635. A State appropriation of $9,300,000 replaced 4 mills of the required county tax levies. Additional temporary property tax relief equal to $3,768,280 was provided for 1978-79.

5. The State Cost Factor guaranteed $753.53 per weighted pupil in A.D.A. for 1978-79. This factor was adjusted to reflect district sparsity and grade levels.

6. A major challenge to current assessment practices is in the case, School district No. 25 et. al. vs State Tax Commission, District Court, 6th Judicial District, Bannock County, Idaho. Power companies are assessed on a site basis with the tax revenue staying within the taxing jurisdiction where the site is located. The plaintiffs seek to have the value of the sites spread over the line miles of distribution and transmission power lines. The case is pending on appeal before the State Supreme Court.

LOCAL SUPPORT

1. There are 115 fiscally independent school districts in the State.

2. Approximately 95 percent of local revenues are provided by property taxes.

3. A 4 mill county tax levy is required for schools. This required levy was temporarily reduced by H.B. No. 635 which allowed surplus State revenues to reduce this required levy for 1978-79 by approximately 1.5 mills. County income for schools was $5,922,375 exclusive of tax relief provisions.

4. Counties are required to apportion to school districts receipts for certain fines, e.g. fish and game fines. A share of the State Sales Taxes is returned to the counties.

5. An estimated $46,639,200 was the required local contribution to the basic State equalization fund. Other local revenues raised amounted to $33,612,300.

6. The State requires districts to levy 22 mills to participate in the basic support program. School boards may levy up to 27 mills without voter approval. Three charter school districts have separately established levy limits.

7. Bonded indebtedness is limited to 25 percent of each district's assessed valuation for elementary and secondary operating school districts. The nine school districts which operate elementary programs only are limited to 10 percent of their assessed valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $171,417,464 (100%)

BASIC SUPPORT PROGRAM

FOUNDATION EDUCATION PROGRAM, chap. 10 $120,148,900 (70.09%)
Title 13, Idaho Code

1. Foundation Education Program: Funding provides for general education programs within each school district of the State on a current year basis. Costs are shared with local districts, counties and the State. A State Cost Factor is computed based on weighted average daily attendance and total distribution funds.

For 1978-79, State Cost Factor equals an estimated $754 per weighted pupil in average daily attendance. Average daily attendance is computed for each week of the school year. The best 28 weeks are used for calculations in the Foundation Program.

Calculation of Weighted ADA: The Foundation Education portion of this program provides for weighting average daily attendance by sparsity factors, secondary school cost factor, and factor for kindergarten and exceptional children.

Pupil Weightings and District Sparsity Factors

Elementary Grades		Secondary Grades		Exceptional Children	
300 ADA and over	1.00	750 ADA and over	1.00	10 ADA or more	1.60
200 to 299	1.10	500 to 749	1.10	4 to 9	1.70
150 to 199	1.15	400 t0 499	1.20	Less than 4	1.80
100 to 149	1.20	300 to 399	1.25		
50 to 99	1.25	200 to 299	1.40		
20 to 49	1.25	100 to 199	1.50		
5 to 19 to count as 25		0 to 99	1.70		

Kindergarten	
40 ADA or more	.55
28 to 39	.65
17 to 27	.75

Less than 17 kindergarten children count as 17 only when a school district has a separately organized kindergarten program. A kindergarten program that has less than seventeen (17) average daily attendance and is a part of the program for other elementary grades shall not count as seventeen (17) but shall have the following weighting:

8 to 16 ADA	.80
Less than 8 ADA	.85

Secondary School Cost Factor -- In addition to the Secondary Grades Sparsity Factor provided above, the actual unweighted average daily attendance of every separate attendance unit of secondary grade pupils shall be multiplied by a factor .30 to be called a Secondary Cost Factor.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

1. Calculation of State Cost Factor .

A. State Funds:

State appropriation for Foundation Program, including earnings from investments less transportation allowance, less ancillary payments = State Contribution.

B. County Funds:

County 4 mill levy plus other receipts to County School Fund (county portion of State sales tax replacement funds, surplus State funds for tax relief and moneys collected from fines, forfeitures, or breaches of penal code when other disposition is not provided) = County Contribution.

C. Local Contribution = 22 mills times the equivalent evaluation

D. Total Distribution Funds is the sum of the amounts from A, B, and C.

E. State Cost Factor = $\frac{\text{Total Distribution Funds}}{\text{Total State Weighted ADA}}$

2. Calculation of Districts' Share of State and County Apportionment.

A. Weighted ADA of District Students x State Cost Factor = District Education Cost.

B. District Education Cost less 22 mills x the districts adjusted assessed valuation plus the equivalent evaluation = Districts's Share of State and County Apportionment.

A district's equivalent assessed valuation is a capitalized dollar value derived mainly from the district's share of the county's sales tax allocation from the State. Twenty percent of the three percent State sales tax is returned to the counties which share these proceeds with all of the taxing units within their jurisdictions. For calculation purposes, a district divides its share of the county sales tax allocation by its total district millage levy and multiples the quotient by 1,000.

Local Contribution: $46,693,200

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
In determining the district's weighted ADA, a separate attendance unit may be counted for each elementary school located 10 or more miles from another elementary school within the district and a separate secondary school attendance unit may be counted if a secondary school is located 15 or more miles from another secondary school within the district.	
2. Transportation Foundation Program ($9,274,500) The transportation foundation program shall be ninety percent (90%) of the difference between the total of allowable costs and the estimated proceeds of a tax levy of one (1) mill applied to the adjusted value of the taxable property of the district for the next preceding year, but shall not exceed ten dollars ($10.00) per month per transported child except the state board of education may increase such limit to fifteen dollars ($15.00) upon the request of a school district board of trustees accompanied with such data as the state board of education may deem necessary in the consideration of such request.	State Share: Allowable Transportation Costs - (.001 x the adjusted assessed valuation) x .90 Local Share: $2,111,800
3. Foundation Exceptional Education Program ($11,409,600) The State will reimburse local school districts for 80% of the allowable salaries of certified ancillary personnel, approved teacher aides and approved directors and supervisors of exceptional child program.	State Share: Total of allowable salaries of certified teachers, teacher aides, ancillary personnel, directors and supervisors of special education students x .80. Extent of Participation in Special Education Programs: An estimated 11,000 pupils generating a weighted ADA of 15,000. Extent of Participation: 115 districts with 203,000 estimated enrollment.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education . . . . See Basic Support Program	
VOCATIONAL EDUCATION PROGRAM - Chapter 22, Title 33, Idaho Code. $1,100,000 (0.44%) Funding for all vocational programs, elementary/secondary and post-secondary and $1,300,000 from federal sources. Funds are used to help districts meet excess costs based on contact hours of approved programs above support provided in the Foundation Program. Districts funds and Federal funds are used in addition to the State Funds for Vocational Education.	
DRIVER EDUCATION PROGRAM - Chapter 17, Title 33, Idaho Code. $871,064 (0.50%)	State Share: Up to $60 per pupil. Local Share: Balance of costs
PUPIL SUPPORT SERVICES	
Pupil Transportation . . . . See Basic Support Program	
SCHOOL FOOD SERVICES $326,100 (0.19%)	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

EMPLOYEE BENEFITS

EMPLOYERS' SHARE OF RETIREMENT, SOCIAL SECURITY AND UNEMPLOYMENT INSURANCE $25,228,500 (14.89%)

Employers' Share of Retirement - Section 59-1332 and 59-1332A, Idaho Code.
Employers' Share of Social Security - Section 59-1115 and Section 63-3638, Idaho Code.
Employers' Share of Unemployment Insurance - Section 72-1349C, Idaho Code.

FY 1978-79 Appropriation - Public School Employees' Retirement	($13,688,500)
Public School Employees' Unemployment Insurance	($500,000)
Public School Employees' Social Security	(11,060,000)

This amount is an estimate. Actual amount will be paid from dedicated funds.

Program Description

The State of Idaho pays the full costs of providing the employer's share of the costs of retirement program and social security program, for the employees of the public schools. In the program of Unemployment Insurance, the State of Idaho has assumed payment of the full costs for public school employees up to 1% of the gross salaries for districts which have elected the cost reimbursement method of payment, unless the director determines a lesser percentage will cover costs. For FY 1979, the director estimated the cost would be $500,00. Amounts greater than 1% are to be paid by the local districts.

DISTRICT CHARACTERISTICS

SALES TAX DISTRIBUTIONS $10,674,600 (6.22%)

20% of the funds collected from the State sales tax is returned to counties for distribution among the taxing jurisdictions within each county, based on the levies of the taxing districts.

Sales Tax Distributions earmarked for schools:

Districts	$8,509,500
Counties	$2,165,100

PERMANENT TAX RELIEF H.B. $9,300,000 (5.42%)

A reduction of the county levy from eight mills to four mills was enacted starting with 1978-79. The appropriation will be used to offset this reduction in county funds.

TEMPORARY TAX REFIEF H.B. 635 $3,768,300 (2.19%)

State surplus will be used in 1978-79 to reduce the required 4 mill county levy for school purposes. The reduction is equivalent to an estimated 1.5 mills.

CAPITAL SUPPORT PROGRAMS

PUBLIC SCHOOL BUILDING ACCOUNT, Section 33-905, Idaho Code -0-

Any school district which has bonded indebtedness of 75% or more and has a school plant facilities levy of 15 or more mills may apply to the State Board of Education to receive payment from the School District Building Account for assistance in school facilities construction. None of the local school districts that are eligible under this program will be involved with construction programs during school year 1978-79. Therefore, funding was not provided.

ILLINOIS

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Fred Bradshaw, Assistant Superintendent, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 54 percent of State-local revenues for elementary and secondary public schools in FY 1978.

2. Annual appropriations constitute the chief source of public school funds. In addition, one cent of the four cent state portion of the sales tax is earmarked for the Common School Fund. The Driver Education Fund is financed by half of the proceeds from driver's license fees.

3. The 1973 basic aid legislation is still being phased in. This law includes a provision which limits the annual growth in State basic aid to any district by 25 percent. In FY 1979, approximately 50 districts were affected by this limitation.

4. The basic aid law does not provide a uniform guaranteed amount per pupil. Districts are given the option of chosing their aid entitlements under the most favorable of four available aid options. Most districts find the Resource Equalizer Formula most advantageous. This formula guarantees a tax base equal to the following estimated percentages of the equalized assessed valuations of the district with the pupils at the 50th percentiles:

. Elementary school districts	162 percent
. High school districts	196 percent
. Unit school districts	205 percent

These percentage estimates are based on the 1975 equalized assessed valuation and estimated 1977-78 pupils including Title I (ESEA) weighted average daily attendance (TWADA).

For districts using the $520 foundation aid guarantee, the formula guaranteed an amount on the average varying between 45 percent and 52 percent of expenditures by type of school district (elementary, high school and unit school).

LOCAL SUPPORT

1. There are 1,016 fiscally independent school districts in the State.

2. Property taxes are the sole source of local revenues.

3. In FY 1978, local contributions to the basic State equalization program amounted to $1.5 billion. Other local revenues amounted to $0.2 billion.

4. A district vote is required whenever a school board desires to exceed the tax rate allowed without referendum in any fund.

5. The following are the maximum tax rates allowed for current operations:

	Elementary and Secondary Districts	Unit Districts
	Equalized Assessed Valuation	
Fund		
Educational	3.00%	4.00%
Operations, Building, and Maintenance	0.55%	0.75%
Transportation	0.20%	0.20%
Summer School	0.15%	0.15%
Fire Prevention, Safety, and Environmental	0.10%	0.10%

6. For capital purposes the debt limit is 6 percent of equalized assessed valuation for elementary and secondary districts and 12 percent for unit districts.

STATE SUPPORT (Cont'd)

5. In 1975, legislation was passed reducing the state mandated assessment level from 50 percent of market value to 33-1/3 percent of fair cash value.

   Assessments of farmland for assessment year, 1977, and following years are to be based on a county index of (1) the value per acre of agricultural products sold from the county where the land is located, as established by the most recent Census of Agriculture of the U.S. Bureau of the Census, and (2) the average value per acre per year of principal crops (corn, soybeans, wheat, and all hay) for the most recent three years as published by the Illinois Crop Reporting Service for each county, and (3) 10 percent of the average sales price per acre of land for the same three years used by the Crop Reporting Service. The legislation contains a hold harmless provision for the 1977 assessment year.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $1,933,203,400 (100%)

BASIC SUPPORT PROGRAMS

GENERAL STATE AID
(Chapter 122, 18-8 of *The School Code of Illinois*) $1,359,700,000 (70.33%)

General Conditions Pupils enrolled in private schools may be concurrently enrolled in a public school on a shared time or dual enrollment basis and are counted as 1/6 ADA for each public class hour in which they are enrolled.

Pupil Count State aid is allocated on the basis of the number of pupils in best six months' Title I weighted average daily attendance (TWADA), which is calculated using the following weights:

Prekindergarten special education and kindergarten (½ day programs)	0.50
Grades 1-8	1.00
Grades 9-12	1.25
Title I Eligibles	
Strayer-Haig Formula Options	.45
Resource Equalizer Formula	0 - 0.675

(Weight depends on district concentration of Title I eligible pupils relative to the state average concentration. A concentration equal to the state average concentration provides a .45 weighting.)

Declining Enrollment Adjustment If the number of pupils in WADA (excluding the weightings for Title I eligibles) is less than the previous year, a district may receive state aid based on the average WADA of the three previous years, to which are added the Title I eligible pupils weighted on the basis of the district's concentration for the current year.

Formula Options Districts receive general state aid under the one of the four formula options that provides the greatest amount of state aid.

Flat Grant
($1,900,000)

Minimum per pupil aid guarantee to districts which do not qualify for equalization aid. Districts receive from the state $72 per pupil in grades 1-8 and $90 per pupil in grades 9-12 in best six months TWADA.

Extent of Participation: Approximately 47 districts with A.D.A. 22,500 in 1977-78.

Strayer-Haig
($4,600,000)

The foundation level is $520 per pupil in TWADA.

Districts with 100 or more TWADA are required to levy a qualifying tax rate of 8.4 mills on the equalized assessed valuation of the district. Elementary and high school districts with fewer than 100 pupils in TWADA must have a qualifying rate of 9.0 mills. Unit districts must have a tax rate of 10.8 mills. This qualifying tax rate is multiplied by the equalized assessed valuation to determine the local share. Actual state aid under this formula is the calculated amount plus 50 percent.

Extent of Participation: 7 districts with A.D.A. 8,500 in 1977-78

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
Alternate Method ($17,900,000)	Districts receive state aid calculated by multiplying by $120 the quotient of the equalized assessed valuation per TWADA necessary to produce $120 divided by the district's equalized assessed valuation per TWADA. This amount is then increased by 50 percent. Extent of Participation: Approximately 188 districts with A.D.A. 134,000 in 1977-78.
Resource Equalizer Formula ($1,307,000,000) Districts are guaranteed up to $1,293 per pupil in TWADA from combined state and local sources. Maximum Aid Growth Ceiling: No district may receive an increase in state aid over the previous year in excess of 35 percent except as that increase reflects an increase in the number of pupils in TWADA. Prior Years Calculations: Operating tax rates and equalized assessed valuations for the second year previous and the number of pupils in TWADA for the previous year are used to calculate actual entitlement.	The operating tax rates required for maximum participation are 18.6 mills in elementary school districts, 10.5 mills in high school districts, and 28.3 mills in unit school districts. No minimum tax rate is required. No maximum tax rate is specified; however, the state does not provide additional aid for tax rates in excess of those listed above. Extent of Participation: 771 districts with 1,769,000 A.D.A. in 1977-78.
SUMMER SCHOOL $2,500,000 (0.12%) (Chapter 122, Section 18-8) Summer school programs for the severely and profoundly handicapped are provided.	Approved programs for eligible pupils are funded. Pupil clock hours in attendance and a weighting factor are considered.
HOLD HARMLESS $6,660,000 (0.34%) (Chapter 122, Section 18-8) In 1979, districts with increasing equalized assessed valuations and decreasing tax rates are compensated for funds lost.	Districts can claim the difference between the estimated 1978 state aid claim, which used 1975 operating tax rates, and the actual 1978 claim, which used 1976 operating tax rates. Extent of Participation: Approximately 225 districts.
SALARIES OF REGIONAL SUPERINTENDENTS AND ASSISTANTS $3,900,000 (0.20%) (Chapter 122, Section 18-5) Salaries of regional superintendents, who are elected, and assistants are provided. The regional superintendent exercises supervision and control over all school districts within a region.	Salaries of regional superintendents are paid by the state and are based on the population of the supervised region. Extent of Participation: 57 educational service regions.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
SUPERVISORY EXPENSE FUND (Chapter 122, Section 18-6) $102,000 (insig. %) Funds are provided to each regional superintendent who maintains a regional office and provides supervisory services.	Each regional superintendent receives from the state $1,000 annually for each county within the educational service region.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS General Condition: State aid under many funding programs is calculated using a district per capita tuition charge as authorized in The School Code of Illinois. The per capita tuition is determined by "totaling all expenses of the school district in the educational, operations, building, and maintenance, bond and interest, transportation, Illinois municipal retirement, and rent funds for the school year preceding the filing of such tuition claims less expenditures not applicable to the regular K-12 program, less offsetting revenues from State sources except those from the common school fund, less offsetting revenues from federal sources except those from federal impaction aid, less student and community service revenues, plus a depreciation allowance; and dividing such total by the average daily attendance for the year."	
SPECIAL EDUCATION $150,532,700 (7.79%) Special education programs for handicapped persons ages 3-21 are provided.	
PERSONNEL REIMBURSEMENT (Chapter 122, Section 14-13.01) ($115,000,000) Districts are reimbursed for approved certified and noncertified special education personnel.	Districts receive $6,250 for each full-time special education director, school psychologist, and qualified teacher; ½ salary up to $400 per child for readers to blind; ½ salary up to $2,500 for noncertified workers; and ½ salary of teachers up to $6,250 for hospital or homebound instruction, not to exceed $1,000 per child.
TUITION FOR NONPUBLIC SCHOOL PUPILS OR PUPILS ENROLLED IN SPECIAL EDUCATION FACILITIES (Chapter 122, Section 14-7.02) ($7,000,000) School districts are eligible for reimbursement of excess costs of tuition for special education pupils attending nonpublic or special education facilities.	A school district unable to meet the needs of special education pupils shall pay the lesser of the actual cost of tuition charged a child by a nonpublic school or special education facility or $2,500 per year. Districts making such payments are eligible for state reimbursement for the amount of such payments in excess of the district's per capita tuition charge for students not receiving special education services. A maximum of$500 may be paid for summer school programs, of which the amount over $100 per pupil is reimbursed by the state.
TUITION FOR PUPILS ATTENDING LOW INCIDENCE CLASSES (Chapter 122, Section 14-7.02a) ($14,400,000) Districts receive excess costs of providing approved programs for low incidence handicapping conditions.	Districts receive reimbursement for costs of approved programs for the amount in excess of the districts's per

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
	capita tuition charge for the previous year or $2,000 per pupil, whichever is less.
SPECIAL EDUCATION FOR PUPILS FROM ORPHANAGES, CHILDREN'S HOMES, STATE-OWNED HOUSING UNITS, FOSTER HOMES, OTHER STATE AGENCIES, OR STATE RESIDENTIAL UNITS ($12,750,000) (Chapter 122, Section 14-7.03)	
Districts are provided reimbursement for providing preapproved educational services to exceptional pupils residing in orphanages, etc.	Extent of Participation: Approximately 4,000 approved students participate in this program.
DEAF/BLIND CENTER ($1,382,700) (Chapter 122, Section 14-11.02)	
Funds are provided for a statewide service center for deaf/blind pupils.	Extent of Participation: Approximately 130 students are served.
GIFTED EDUCATION $3,630,000 (0.19%) (Chapter 122, Section 14A-6)	
Reimbursement is provided to districts for approved programs of gifted education. Nine area gifted service centers are funded.	Reimbursement for excess costs of approved gifted education programs is provided. Reimbursement is equalized on the basis of equalized assessed valuation per pupil in ADA. Extent of Participation: Approximately 400 districts.
VOCATIONAL EDUCATION $25,120,000 (1.30%) (Chapter 122, Section 697)	
State and federal funds jointly finance various vocational education programs. Vocational education is not a mandated program.	Extent of Participation: Approximately 900 school districts.
DRIVER EDUCATION $10,000,000 (0.52%) (Chapter 122; Section 27-24)	
Districts receive reimbursement of costs of approved driver education courses.	Districts receive the per capita cost, not to exceed $10 for each pupil who successfully completed classroom instruction and $40 for successful completion of practice driving. Extent of Participation: Approximately 750 secondary schools participate in this program.
BILINGUAL EDUCATION $14,600,000 (0.76%) (Chapter 122, Section 14C)	
Programs in School Districts with less than 500,000 population ($3,600,000)	Districts receive from the state reimbursement of excess costs of approved programs.
Programs in School Districts with greater than 500,000 population (Chicago) ($11,000,000)	Extent of Participation: Approximately 30,000 pupils are served.
Transitional bilingual education programs are required in any attendance center having 20 or more pupils with the same first language.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
ADULT EDUCATION $7,500,000 (0.39%)	
Adult Basic Education ($600,000) (Chapter 122, Section 203.1) This is a literacy program designed to provide adults with basic education skills.	Reimbursement to community colleges is for tuition at the rate established by that college for all students. Public schools are reimbursed on a current year basis at a rate of $2.00 per individual hour of instruction, weighted for attendance and level of instruction, plus actual cost of support services. Extent of Participation: Approximately 63,000 adults are served.
Americanization and General Educational Development ($1,500,000) (Chapter 122, Section 201.3) This program provides citizenship training, elementary and secondary credit classes, and General Educational Development classes for all citizens.	The maximum rate of reimbursement is set at $3.50 for each approved 40-minute period of classroom instruction claimed. Extent of Participation: Approximately 96,000 pupils are served at approximately 100 locations.
Instruction for Persons whose Education has been Interrupted ($5,400,000) (Chapter 122, Section 10-22.20) Educational opportunities and training are provided to eligible recipients of public assistance to increase opportunities for employment and self-support.	Reimbursement to community colleges is for tuition at the rate established by that college for all students, plus actual cost of support services. Public schools are reimbursed at the rate of $2.75 per individual hour of instruction, further weighted for attendance and level instruction, plus actual cost of support services. Extent of Participation: Approximately 6,000 students are served.
TRUANTS ALTERNATIVE PROGRAM $500,000 (0.03%) (Chapter 122, Section 2-3.41) Grants are made to public and private agencies to provide alternative education to chronic truants.	The state provides 100 percent of approved program costs for approximately 12 programs.
DEPARTMENT OF CORRECTIONS SCHOOLS $4,464,600 (0.23%) (Chapter 122, Section 13-43.20) Funds are provided to the Department of Correction for educational services for juveniles and adults in correctional institutions.	An average per capita cost for juvenile and adult educational costs is determined annually. Extent of Participation: Approximately 34,000 students in 9 institutions are served.
TUITION OF CHILDREN FROM ORPHANAGES AND CHILDREN'S HOMES AND STATE-OWNED HOUSING $1,000,000 (0.05%) (Chapter 122, Section 18-3) Districts are reimbursed for the cost of providing educational services to children residing in orphanages, children's homes, foster family homes, etc.	Eligible districts file a claim for the per capita tuition cost for each eligible pupil for the preceding year Extent of Participation: Approximately 1,280 students participate.

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Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
PUPIL SUPPORT SERVICES	
PUPIL TRANSPORTATION $81,335,000 (4.21%)	
Regular and Vocational Pupil Transportation ($47,835,000) (Chapter 122, Section 14-12.01 and 29.5) Reimbursement is provided for transportation of eligible regular and vocational pupils.	Districts are reimbursed for the cost of transporting eligible regular pupils (those who reside one and one-half miles from the assigned attendance center) less a qualifying amount (the district's equalized assessed valuation multiplied by a tax rate of .5 mills in elementary school districts, .3 mills in high school districts, and .7 mills in unit school districts). District entitlement is the amount computed in the formula or $16 per pupil, whichever is greater. Approximately 700,000 students are transported. Transportation is provided for nonpublic pupils. When the claim amount, as computed by the formula, exceeds four-fifths of the actual cost to transport eligible pupils, a district must have a transportation fund tax rate of .12 or more in order to receive more than four-fifths of the cost.
Vocational Pupil Transportation	Districts are reimbursed four-fifths or allowable costs for transporting pupils to an area vocational school more than one and one-half mile from the school attended or for transporting resident pupils to another school district's vocational program offered through approved joint agreement. Extent of Participation: Approximately 44,000 pupils are transported.
Special Education Pupil Transportation ($33,500,000) (Chapter 122, Section 29-3.2a) Districts are partially reimbursed for transporting special education pupils.	Districts are reimbursed four-fifths of allowable costs of transporting special education pupils. These allowable costs exclude the cost of acquiring equipment, depreciation in excess of 15 percent per year on transportation equipment, administrative salaries, and maintenance facilities.
FREE TEXTBOOK PROGRAM $9,000,000 (0.47%) (Chapter 122, Section 18-17) Textbooks are to be provided for all public and nonpublic students whose parents apply for assistance.	Extent of Participation: Approximately 720,000 students receive free textbooks.
SPECIAL EDUCATION MATERIALS FOR THE VISUALLY IMPAIRED $350,000 (0.02%) (Chapter 122, Section 14-11.01) Special materials for the visually handicapped are developed, procured, stored, and distributed by the Illinois Office of Education.	Extent of Participation: Approximately 100,000 volumes are available to 2,600 students requiring Braille or large-type books.
SCHOOL LUNCH AND BREAKFAST PROGRAM $14,320,000 (0.74%) (Chapter 122, Section 712) All public schools are required to provide free lunches to pupils from families whose income is at or below federally established guidelines. Nonpublic schools may also participate. The free breakfast program is voluntary.	Districts receive 15¢ for each free lunch and free breakfast provided to needy pupils. Extent of Participation: Approximately 800 private schools and 1,016 public school districts participate

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
EMPLOYEE BENEFITS	
TEACHERS RETIREMENT (Chapter 122, Section 18-7) $227,989,100 (11.79%)	
CURRENT AID PROGRAMS, N.E.C.	
STATE IMPACTION AID (Chapter 122, Section 18-8) -0- Five percent or more of the district's pupils must have parents or guardians employed by the State of Illinois.	A district's claim amount is one-half of the difference between the per capita tuition charge and general state aid per best six months' ADA, multiplied by the ADA of eligible pupils.
CAPITAL SUPPORT PROGRAMS	
SPECIAL EDUCATION FACILITIES (Chapter 122, Section 13.02) -0- The state contributes toward the construction of special education facilities.	The state provided $1,000 per professional special education worker in a district in order to share in the building costs of special education facilities provided that the district had made a levy for special education construction and there was a shortage of necessary funds.
CAPITAL DEVELOPMENT BOARD (Chapter 122, Section 783) $10,000,000 (0.52%) The state provides grants to districts for construction of approved facilities. Debt service monies are also authorized.	Districts are granted funds based on a formula that equalizes funds granted to districts based on the equalized assessed valuation of the applicant district compared with the district located at the ninetieth percentile for all districts of the same type (elementary high, or unit). The school construction project must be approved by the State.

INDIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

William L. Riley, Director, Division of School Finance, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 53 percent of the State-local revenues for elementary and secondary public schools were provided by the State.

2. State appropriations to public schools were for the FY 1978 and 1979 biennium. A portion of the State's 4 percent sales tax is apportioned to the local Property Tax Replacement Fund and amounted to an estimated $176,097,974 for FY 1979. From this fund, an appropriation is made for tuition support.

3. An estimated $155,000,000 was paid to counties to offset a 20 percent reduction in property taxes. Counties apportioned this sum among the local taxing jurisdictions.

4. The foundation dollar guarantee for 1978-79 equals an estimated 50 percent of the statewide average expenditure per adm.

5. The State reports that since 1975-76, property tax burdens have been reduced. Local property tax levies have been frozen, and new monies for public schools have come through State sources.

6. Employee benefit programs are fully funded by the State and in 1978-79, payments amounted to:

o Employer contribution to State Retirement	$69,918,000
o Employer contribution to Social Security	$56,648,000

These amounts are not reported in the State school aid programs.

LOCAL SUPPORT

1. There are 303 fiscally independent school districts and 2 special dependent districts in the State.

2. For 1978-79, an estimated $580,000,000 were raised by local property taxes. School districts also received as apportionments from counties the following: $75,000,000 from automobile excise taxes and $22,000,000 from county optional income taxes and bank, building and loan association taxes. An additional $15,000,000 in income was derived from interest, fees, donations and private tuition.

3. The required local contribution to the basic State equalization program amounted to $393,324,300.

4. The State requires a minimum of 30 mills local levy for participation in the basic support program. The total levy yield for the basic support program was frozen at the amount realized in FY 1974. Appeals for additional levies may be made to the State Board of Tax Commissioners who may authorize a levy referendum. Since this program has been in existence, only 4 or 5 tax referenda have been held.

5. The debt limit for bonded indebtedness is set at 2 percent of assessed valuation. Private and public holding companies are also available for school construction and are not subject to the 2 percent debt limit.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $777,217,325 (100%)

BASIC SUPPORT PROGRAMS

STATE SCHOOL SUPPORT-BASIC GRANT FORMULA $689,889,673 (88.76%)
(Grades K-12)
Indiana Code 21-3-1.6-1 as amended

Instructional Salaries, Other Current Expense, Special Education, and Vocational Education

The Basic Grant tuition support formula is in actuality two separate formulae. Both formulae are calculated and the school corporation receives from the State the greater dollar amount of the two calculations.

1. Regular Basic Grant Est. ($487,563,698)

The Regular Basic Grant results from the following calculation: $820 multiplied by the teacher ratio for the school year ending in the current calendar year. The resulting adjusted per pupil allowance is then multiplied by the greater Average Daily Membership (ADM) of the current or immediately prior school year. From this total entitlement is subtracted the local share. The remainder is the formula generated amount. The teacher ratio is generated for each corporation by dividing the corporation teacher factor, as computed from the following training and experience table, by the state wide teacher factor.

College training (Years)	Experience (Years)	Factor
Less than 4		0.7
4 but less than 5	Less than 6	0.8
	6 years or more	0.9
5 years or more	Less than 5	1.0
	5 or more but less than 11	1.1
	11 or more but less than 17	1.2
	17 or more	1.3

Average Daily Membership (ADM) represents the count of pupils enrolled in grades K-12, with kindergarten counted as .5. Additional weighting is provided for students participating in certain programs according to the following table.

Special Education (Est. $33,970,639)

	Additional Count
Programs for Handicapped Children	
multiple handicapped	2.37
physically handicapped	2.04
visually handicapped	2.70
hearing impaired	2.73
emotionally disturbed: full time self-contained special class	2.52
emotionally disturbed: all others	0.94
neurologically impaired/learning disabled; full time, self-contained special class	1.59

State share: The state share is represented by the greater amount calculated either from the Regular or Minimum Basic Grant.

Local share: The local share to be subtracted in the Regular Basic Grant calculation is the levy or yield resulting from a 30 mill tax rate applied to the 1974-75 Adjusted Assessed Valuation. There is no local effort subtraction on the Minimum Basic Grant.

Requirements for Participation: To qualify for state monies from either the Regular or Minimum Basic Grant, a school corporation must adopt either a 30 mill tax rate or the full maximum normal tax levy, whichever is less.

The local share amounts to $393,324,300

Extent of Participation: An estimated 305 school corporations.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

neurologically impaired/learning disabled; all other	0.94
communication handicapped	0.19
educable mentally retarded	1.20
trainable mentally retarded	1.51
serverely and profoundly mentally retarded homebound	0.57

Vocational Education (Est. $14,824,721)	Additional Count
Vocational Programs	
agriculture A (1/2 day)	0.38
agriculture B (one period per day)	0.19
distributive education	0.33
health occupations (laboratory)	0.33
consumer and homemaking (one period per day)	0.14
occupational home economics (laboratory)	0.33
business education (laboratory)	0.33
industrial education A (1/2 day)	0.48
industrial education B (2 periods per day)	0.33
cooperative education (all areas)	0.28
area school participation (in addition to above)	0.09

Compensatory education (Est. $12,158,400) 0.20

The $820 base is reduced by 25% for Handicapped and Vocational programs and 40% for compensatory. Student enrollment in these approved programs is the single measure of participation. The percentage reduced base is multiplied by the corporation ratio as previously described and by the total additional count of each major program. The additional count for handicapped programs would be the total of the products of enrollment and additional count for each specific program.

The total calculation for the regular grant is then found to include the basic grant amount plus any monies calculated on the basis of handicapped, vocational, and/or compensatory additional pupil counts.

2. Guaranteed Add-On (Est. $141,372,215)

This formula is essentially a minimum district guarantee with certain modifications. There is no local effort subtract off as in the Regular Basic formula. The previous calendar year net tuition support dollar amount is adjusted by an ADM ratio. Net tuition support is total tuition support for the previous calendar year less calculated Handicapped and Vocational monies. The ADM ratio is current year ADM divided by immediate prior year ADM. To this adjusted net basic grant is added $65 per ADM on ADM of current or immediate prior year. To this adjusted net basic grant is added $54 per ADM on ADM of current or immediate prior year. To this amount is added a dollar amount representing 2 percent of the previous calendar years general operating budget less 1 percent of the maximum normal tax levy. For the 1979 calendar budget this would be the 1978 calendar budget. Lastly, the calculated Handicapped and Vocational dollars, on the basis of additional pupil counts are added.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

All school corporations received aid under the guaranteed add-on provision.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
STATE SCHOOL SUPPORT-SUMMER EDUCATION $5,400,000 (0.70%) (Pursuant to Indiana Code 20-10.1-7-13 and promulgated rule of the General Commission of the State Board of Education). The cost of instruction salaries adjusted by 1.05 is the entitlement for summer education reimbursement. The total of all entitlements are prorated to keep within the line item appropriation.	State share: Prorated calculation of entitlements amount but not exceed total program costs. Local share: All costs not met by reimbursement. Extent of Participation: An estimated 280 school Corporations.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education See Basic Support Program Vocational Education See Basic Support Program Compensatory Education See Basic Support Program	
TRANSFER TUITION FOR CHILDREN PLACED BY THE INDIANA DEPARTMENT OF MENTAL HEALTH (20-8.1-6.1-5(d)(6) $1,000,000 (0.12%) From the average local expenditure per pupil determined by class of school or program, in the case of handicapped pupils, is subtracted the per pupil state distribution for tuition support. The result is multiplied by the number of placed students in ADM.	State share: 100 percent of cost of education. Local share: School corporations must enroll and provide opportunity to any Mental Health Pupil placed in their boundaries.
STATE SCHOOL SUPPORT-ADULT EDUCATION (Pursuant to Indiana Code 20-10.1-7-1 and promulgated rule of the General Commission of the State Board of Education). $4,440,000 (0.57%) The state reimburses school corporations for adult education provided to persons seeking eighth grade completion, seeking a high school equivalency certificate, or persons seeking high school credit to obtain a high school diploma. Reimbursement is limited to the cost of the instructor for a particular course of study.	State share: 100 percent of instructor cost. Local share: All costs not covered by reimbursement. Extent of Participation: An estimated 91 school corporations.
PUPIL SUPPORT SERVICES	
STATE SCHOOL SUPPORT-TRANSPORTATION (Grades K-12) (Indiana Code 21-3-3.1) $28,568,000 (3.67%) Regular School Transportation (Est. $23,845,710) Regular School Transportation reimbursement is computed accordingly: $106 - ($11.00 x linear density) equals the adjusted per pupil amount. The adjusted per pupil amount x number of eligible pupils equals the eligible pupil entitlement. The eligible pupil entitlement minus the levy that a 1.5 mill rate on the 1974 pay 1975 adjusted assessed valuation raises results in the allowable transportation entitlement. An eligible pupil is a pupil of the school corporation in grades K-12 and transported more than 1 mile. Kindergarten pupil count as .5 eligible pupil. Linear density is the division of total eligible pupils by the total round trip mileage of all vehicles used for pupil transportation. All pupil and mileage inputs are those in existence in school year ending in preceding calendar year.	State share: The allowable transportation entitlement per district as adjusted to bring the total amount distributed within the amount appropriated by the General Assembly. Such adjustment applies to both regular as well as vocational and special education transportation. Local share: The levy of 1.5 mills on the 1974 adjusted Assessed Valuation payable in 1975. Extent of Participation: 295 School corporations.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Vocational Education Transportation (Est. $637,066) Special Education (Est. $4,085,224) All pupil and mileage inputs are those in existence in school year ending in preceding calendar year. Further, the state reimburses 80 percent of the additional cost of transporting special education students enrolled in special education programs and 80 percent of the additional cost of transporting vocational students to an area vocational school. All factors relating to special and vocational transportation formula reimbursement are those in existence in each school district in the school year ending in the calendar year.	
SCHOOL FOOD AND NUTRITION PROGRAM (P.L. 10, Acts of 1977) $4,219,652 (0.54%) Calculated by dividing the number of meals served during the school year by the amount of money appropriated.	State and Local revenues for school food and nutrition must match Federal monies at ratio of 3 state-local dollars to 1 Federal dollar. State appropriation may be escalated to insure meeting matching requirements. Extent of Participation: 304 school districts.
DISTRICT CHARACTERISTICS	
TRANSFER TUITION FOR CHILDREN OF STATE EMPLOYEES LIVING ON STATE PROPERTY (Indiana Code 20-8.6-6.1-6 $200,000 (0.02%) Eligible districts must enroll students whose parents are employees of the state and who live on state property located in a school corporation or within the same county.	State share: Average local expenditure per pupil less distribution for tuition support and other current expense, times ADM of such pupils. Local share: None Extent of Participation: 35 school districts.
CURRENT AID PROGRAMS, N.E.C.	
DISTRESSED SCHOOL FUND (P.L. 10, Acts of 1977) $2,000,000 (0.25%) Any or all of the amount appropriated by the General Assembly may be alloted to any school corporation for General Fund purposes. When a school corporation anticipates a deficit in its current budget, it must appeal to the State Board of Tax Commissioners for a budget hearing action and accordingly request financial relief from the State School Property Tax Control Board. The Control Board then makes recommendation to State Board of Tax Commissioners who advises State Finance Board of its findings. Any school receiving such aid becomes a controlled school corporation.	State share: 100 percent of amount allotted by appropriate authorities. Local share: None. Extent of Participation: 3 or 4 schools annually.
CAPITAL SUPPORT PROGRAMS	
STATE SCHOOL SUPPORT-ADA Flat Grant (Indiana Code 21-3-4.5 as amended) $41,500,000 (5.33%) $40 per student in Average Daily Attendance in grades 1-12 is distributed annually on or about July 1. Application of this grant locally is as follows: 1. A school corporation may use for current operation no more of this grant than it used for such purpose in 1973, 1974, 1975 or 1976;	State share: 100 percent of calculated amount. Local share: None. Extent of Participation: 305 school corporation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
2. A school corporation having debt shall utilize any remaining amounts to apply against satisfaction of its annual debt needs; 3. A school corporation may utilize for cumulative building or current operation any remaining amount.	
COMMON SCHOOL BUILDING FUND (Chapter 379, Acts of 1959, as amended) One time appropriation established a revolving loan fund $19,000,000 Amount of approved loan not to exceed $2,000 per pupil, including the funds to be provided locally. The Common School Building Fund Commission has established $750,000 as the maximum amount of advancement per district. In order for districts to participate, they must have raised, by bond issue and/or cumulative building fund levy, an amount equal to at least 2 percent of the adjusted assessed valuation.	State share: Amount of approved project cost to maximum minus local share. The maximum dollar amount may be waived if: 1. the school corporation has an adjusted assessed valuation per pupil ADA of less than eight thousand four hundred dollars ($8,400). 2. the school corporation's debt service tax rate would exceed three dollars ($3.00) per one hundred ($100) of assessed valuation without a waiver of the dollar limitation; and, 3. the School Property Tax Control Board recommends a waiver of the dollar limitation. Local share: Eligibility for loans is based on local financial effort and need. Repayment is made in semi-annual installments over a maximum period of 20 years. Amount of repayment on principal, plus 1 percent carrying charge, is withheld by the State from the districts State Basic Grant distribution and the Memorial Construction Fund. Extent of Participation: A few school districts will obtain new advancements during 1978-79. 105 school corporations are currently repaying loans from this fund.
VETERANS MEMORIAL SCHOOL CONSTRUCTION FUND $1,500,000 (Chapter 312, Acts of 1955, as amended). One time appropriation established a revolving loan fund. In order for districts to participate, they must have levied at least 5 mills for debt service on the assessed valuation for at least 3 years prior to application. The extent of need for classrooms is based on projected enrollments for the next 6 years.	State share: 100 percent of approved loan but maximum outstanding total loan from this fund may not exceed $250,000. However, the maximum dollar amount may be waived if: 1. the school corporation has an adjusted assessed valuation per pupil ADA of less than eight thousand four hundred dollars ($8,400); 2. the school corporation's debt service tax rate would exceed three dollars ($3.00) per one hundred dollars ($100) of assessed valuation without a waiver of the dollar limitation; and, 3. the School Property Tax Control Board recommends a waiver of the dollar limitation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
	Local Share: Eligibility for loans is based on local financial effort and need. Amount of repayment on principal, plus 1 percent carrying charge, is withheld by the state from the district's State Basic Grant distribution and transferred directly to the Veterans Memorial Construction Fund. Extent of Participation: A total of 113 districts have obtained loans from this fund. Six are expected to obtain loans each year.
VETERANS MEMORIAL SCHOOL CONSTRUCTION FUND $3,000,000 Disaster Provisions (Public Law 102, Acts of 1974, Amended) One time appropriation established a revolving loan fund. For districts which must have suffered loss by fire, flood, tornado, wind or other disaster which makes all or part of the school building or buildings unfit for school purposes as defined in IC 1971, 20-5-44.	State share: The amount of the loan will be determined by multiplying the state's average cost per pupil for school construction as determined for P.L. 81-815 by the number of pupils displaced by the disaster. School corporations may only apply for the difference and the replacement cost of the facility. Local share: Repayment is made in semi-annual installments over a maximum of 20 years. The amount of repayment on principal, plus 1 percent interest on the declining balance is withheld by the district's State Basic Grant distribution. Amounts repaid shall be deposited in a special fund known as the School Disaster Loan Fund. Extent of Participation: Three corporations have received loans totaling $2,370,000.

IOWA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Gayle C. Obrecht, Director, Administration and Finance, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 52 percent of the State-local revenues including tax credits for elementary and secondary public schools were provided by the State.

2. All State funds are derived from annual appropriations.

3. In FY 1979 the following State payments were distributed by counties to their local taxing jurisdications to offset property tax credits:

Agricultural Land Credit	$42,000,000
Homestead Tax Credit	50,000,000
Personal Property Tax Credit	20,400,000

4. The foundation dollar guarantee for 1978-79 equals an estimated 67 percent of Statewide average expenditures. The guarantee for each district is the same, but the percent varies according to its budget limit.

LOCAL SUPPORT

1. There are 447 fiscally independent school districts in the State.

2. Most of the local school taxes are derived from property taxes. Some 21 small districts have enacted an 'enrichment' tax. One third of the proceeds of the tax is derived from district income surtaxes.

3. Local contributions to the basic equalization program amount to $521,850,068. Other locally raised revenues are estimated at $35,953,013.

4. A statutory budget limit is in effect for each district. No additional levies can be raised locally other than the enrichment tax described above. This tax is subject to majority voter approval for periods up to 5 years.

5. A district's debt limit is equal to 5 percent of the district's valuation. The debt service tax rate may not exceed 2.70 per $1,000 of assessed valuation except by a 60 percent vote of the people. The maximum debt service tax rate is limited to $4.05 per thousand.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $476,490,396 (100%)

BASIC SUPPORT PROGRAM

STATE FOUNDATION AID $461,062,396 (96.76%)
Chapter 442

Allowable Education Cost Growth

For the school year beginning July 1, 1978, the state allowable growth in education cost budgets is 9.422 percent and equals $127. This amount is derived by applying 9.42% to the prior year education cost ($1,343 x 9.42% = $127).
The allowable growth per pupil for each school district is the basic allowable growth per pupil for the budget year modified as follows:

(a) If the State cost per pupil in the base year exceeds the district cost per pupil in the base year, the basic allowable growth per pupil for the budget year is modified to equal the lesser of 125 percent of the basic allowable growth per pupil for the budget year or an amount sufficient to equalize the district cost per pupil with the State cost per pupil in the budget year.

(b) A School Budget Review Committee may also modify the allowable district cost growth.

Minimum Guarantee ($1,400,800)

If the amount determined for any district is less than $200 per pupil, the district is entitled to receive $200. However, if the receipt of the $200 by a school district plus the money raised by the foundation property tax exceeds the maximum allowable district cost for the budget year, the district shall be entitled to receive in state foundation aid an amount equal to the difference between the money raised by the foundation property tax and the district allowable cost for the budget year.

Declining Enrollment ($9,077,603)

The base enrollment is subject to adjustment for decreasing enrollment. The State controller shall add to the base enrollment in the budget year an amount equal to 50 percent of any decrease in enrollment from the base year to the extent that the increase does not exceed five percent of the sum of the basic enrollment in the base year plus adjustments made for decreasing enrollments in the base year, and 25 percent of the remaining decrease. The base year refers to the previous school year.

Special Education ($50,033,000)

Three weighting categories for special education students have been established:

1.7 for slow learners who are predominately in regular classes.
2.0 for more retarded children.
4.0 for most severely retarded children.

These are total weights and not add-on pupil weights.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Each school district is entitled to receive State school foundation aid which shall be an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district and the State foundation base. The State foundation base for 1978-79 is 76% of the State cost per pupil, which amounts to $1,157.

Local Share: District pays balance of maximum budget. Each school district is required to levy $5.40 per thousand dollars of assessed valuation which is full market value.
Extent of Participation:

447 districts:	586,029	headcount
	8,354	bonus enrollment for declining enrollment
	32,921	additional weighting for special education

Included are 18 minimum aid district. 397 districts receive aid under the declining enrollment provision.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
The two latter weighting categories apply to pupils in self-contained classrooms. (Separate schools for deaf and for blind children are maintained by the State. These schools are funded through the State Board of Regents.) Included in the Foundation Program is an amount equal to $55 per pupil earmarked for special education support services which are provided by the newly created Area Education Agencies. This set-aside generates an amount equal to $26,222,143, which is included above.	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education . . . . See Basic Support Program	
VOCATIONAL EDUCATION FUND $3,000,000 (0.62%) Section 258.8, 1977 Code of Iowa Amount expended of approved program.	State share: 40 percent of amount for adult programs. Approximately 20 percent of the amount for day-school programs, as funds allow. Percents shown are for combined State funds listed and Federal funds for vocational education. Local share: All costs in excess of State share. Extent of Participation: 357 school districts were paid for vocational and technical education programs provided.
MIGRANT EDUCATION $50,000 (0.01%)	State share: Excess costs of the educational program. Local share: Regular cost of education. Extent of Participation: 6-7 school district.
CHILDREN IN STATE INSTITUTIONS, TUITION IN CHARITABLE INSTITUTION, OR CHILD IN BOARDING HOME Est. $615,000 (0.12%) Sections 282.22, 282.23, 282.23, 1977 Code of Iowa Payments are paid from funds not otherwise appropriated. Child's domicile must have been in another school district.	State share: 100 percent of calculated amount. Local share: Any costs which exceed the maximum permitted for tuition. Extent of Participation: 131 school districts.
PUPIL SUPPORT SERVICES	
SCHOOL FOOD SERVICES $3,322,000 (0.69%) Chapter 283A	State share: 4.07¢ per lunch served. 1.77¢ for all breakfasts. 4.43¢ for free breakfasts. 3.35¢ for reduced price breakfast. 14.2% of Federal funds used for food service equipment assistance. Local share: Balance after State and Federal funding. Extent of Participation: 447 Public school; 213 non-public schools; 68 others.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CURRENT AID PROGRAMS, N.E.C.	
SCHOOL BUDGET REVIEW COMMITTEE $4,000,000 (0.83%) Section 442.13(6) $2,500,000 Supplemental Declining Enrollment Aid 1,300,000 Supplemental Special Education Aid 200,000 Supplemental Aid for Unique and Unusual Circumstances	State share: Decision of School Budget Review Committee Local share: Balance, if any. Extent of Participation: Estimate - 224 districts.
TRANSPORTATION OF NONPUBLIC SCHOOL PUPILS $4,041,000 (0.84%) Chapter 285	State share: Actual cost if transported not to exceed district average transportation ocst, in lieu of providing transportation payment of $40 per pupil. Local share: If necessary for pro rate payment of state funds--parent to pay difference. Extent of Participation: 241 school districts.
TEXTBOOK SERVICES FOR NONPUBLIC SCHOOL PUPILS $400,000 (0.08%) Chapter 301	State share: Maximum Reimbursement to local school districts is $7.50 per resident nonpublic school pupil and cannot exceed the comparable services offered to resident public school pupils. Extent of Participation: 130 school districts.

KANSAS

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Dale Dennis, Assistant Commissioner, Financial Services, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 47 percent of the State-local revenues for elementary and secondary public schools were provided by the State.

2. State funds for public schools are derived through annual appropriations.

3. The State rebates to the districts 20 percent of the resident income tax liability due the State. As a result of a change in the law, this rebate was treated for the first time as a deduction on the basic equalization aid due each district for 1978-79.

4. The foundation dollar guarantee equals an estimated 43 percent of statewide average expenditures per pupil.

5. The State has enacted no new program but the major aid program, the School District Equalization Act of 1973, has been amended a number of times. Chief of these amendments are:

   - The extension of the basic equalization principal (guaranteed budgets) to district expenditures for Social Security, vocational education, special education, workmen's compensation and unemployment insurance. Previously these required special levies. The higher of the amounts levied for each of these funds by a school district in 1976 or 1977 was added to the general fund budget of the district prior to the computation of its legal maximum general fund budget for the 1978-79 school year.

   - The County Foundation Fund was abolished.

   - Conversion of each district's income tax credit into a deduction from its basic aid receipts from the State. (Before FY 1979, this credit provided larger refunds to income wealthier districts than to poorer ones.)

   - Conversion of the district wealth measure--adjusted valuation and taxable income--into a 4-year moving average.

   - Increased the number of reasons for which the State Board of Tax Appeals may raise a district's budget limit.

6. The State pays for its school districts the entire amount needed as the employer contribution to the Kansas Public Employee Retirement Fund. For 1978-79, this amount was estimated at $35 million and does not appear in the State aid program.

7. Two legal challenges to the Kansas School District Equalization Act are now pending in district courts.

LOCAL SUPPORT

1. There are 306 fiscally independent school districts in the State.

2. Ad valorem taxes constitute the sole source of local tax revenues.

3. District boards of education have the authority to adopt school budgets within the prescribed limits and to levy the required taxes to fund these budgets without voter approval.

4. A district may increase its budget to the median budget for its enrollment category, with voter approval. The State Board of Tax Appeals may raise a district's budget limit under certain circumstances and without voter approval.

5. The bond debt limit is set at 7 percent of each district's assessed valuation. This limit may be exceeded upon approval of the State Board of Education.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $343,598,035 (100%)

BASIC SUPPORT PROGRAMS

STATE SCHOOL EQUALIZATION $245,500,000 (71.45%)
K.S.A: 1978 Supp. 72-7030 et seq.

Each district is guaranteed a budget limit which is based on its enrollment category and local effort rate (LER). The enrollment categories are:

1-199
200-399
400-1,299
1,300 and over

The enrollment categories and the "norm" BPP's are based on an analysis of median operating costs per pupil at various levels of enrollment, and are subject to change each year by the State Board of Education.

The annual rise in a district's budget per pupil (BBP) is limited to:

> 115 percent of the amount budgeted per pupil in the preceding school year or 105 percent of the median budget per pupil in the preceding school year whichever is the lower amount but in any case the district can increase budget per pupil by 105 percent.

Minimum guarantee: Districts having a sufficiently high general fund tax rate were guaranteed a minimum equal to their entitlement in 1972-73 of general and supplemental state aid. Only 75 percent of the income tax rebate is used in computing aid under the "grandfather clause." This aid is reduced by 10 percent for each mill, or fraction thereof, that the district's general fund tax rate was less than the median tax rate of all districts in the preceding year.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: The State share is a residual amount up to the budget level guarantee for a district in the enrollment category once the local share (local effort) is determined.

Each school district's general state aid is computed as follows: subtract from its legally authorized general fund budget the sum of:

a. district wealth multiplied by the district's local effort rate ("district wealth" is defined by the Act as the four year average of adjusted valuation of taxable tangible property and taxable income of residents of the district);

b. receipts in the preceding school year under P.L. 874, i.e., federal impact aid;

c. district's share of the income tax rebate.

The total of those items is defined by the Act as "local effort." No district is entitled to general state aid unless its general fund budget exceeds its "local effort."

Local share: The principal component of "local effort" for nearly all districts is item (a), above, i.e., district wealth times the local effort rate (LER). Under the Act, a district's LER is 1.799 percent of its budget per pupil (BPP) or the same as the "norm," BPP for its enrollment category. If a district's BPP is more or less than such "norm," its LER is more or less than 1.799 percent in the same proportion that its BPP deviates from the "norm." The formula for determining a district's LER is:

$$\frac{\text{District's BPP}}{\text{BPP "Norm" for the District's Enrollment Category}} \times 1.799\%$$

The general principle of "power equalizing" is that each district has equal power to select its level of spending because its BPP is a function ofthe school board's budgetary policies and of the district's "local effort," not a function of the district's wealth. Within an enrollment category, a district with low wealth per pupil may choose to have the same BPP as a district with more wealth per pupil,

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
	and the LER's of the two districts also would be the same. The low-wealth district, however, would have a greater proportion of its budget financed by general state aid because the product of its wealth and LER would be less than such product in the higher-wealth district. Extent of Participation: 306 school districts. For 1977-78 66 of these districts received aid under the "grandfather clause" or minimum guarantee. This aid totaled about $2.2 million. Of these 66 districts, 19 also received some basic general aid under the equalization formula.
STATE INCOME TAX REBATE $38,812,000 (11.30%) K.S.A. 72-7067 20 percent of the State income tax is rebated to the school district of the resident taxpayer. This amount is included as part of the local contribution to the district's guaranteed budget per pupil.	State Share: 100 percent. Local Share: None Extent of Participation: 306 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SPECIAL EDUCATION FUND $22,327,500 (6.50%) 72-967 et. seq. The state distribution for special education is based on $4,815 per certificated special education teacher. Transportation for special education students and teachers is based upon 80 percent of the cost of transportation.	State Share: 100 percent of calculated amount. Local Share: Balance of cost not reimbursed. Extent of Participation: Approximately 306 school districts.
VOCATIONAL EDUCATION FUND $ 596,569 (0.17%) K.S.A. 72-4301-19	State Share: The allotment is based on local ability, number of students, number of teachers, poverty level, and unemployment level. Local Share: Balance of cost not reimbursed. Extent of Participation: 210 school districts.
STATE POST-SECONDARY AID FOR VOCATIONAL EDUCATION $ 6,118,359 (1.78%) Aid for high school graduates enrolled in vocational education.	State Share: 90 percent of tuition charges for all high school graduates enrolled in area vocational-technical schools.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
AREA VOCATIONAL-TECHNICAL SCHOOL FUND $ 3,950,277 (1.15%) K.S.A. 4301-19 Allottment is based on local ability, number of students, number of teachers, poverty level, and unemployment level.	State Share: State categorical aid for approved vocational education programs in area vocational-technical schools. Extent of Participation: Secondary and postsecondary students are both enrolled.
STATE SAFETY FUND $ 1,400,000 (0.41%) (Sec. 8-267 and 8-272 KSA) Percent of state pupils completing course in district not to exceed amount expended for driver education.	State Share: 100 percent of calculated amount. Money for this program is derived from 50 percent of drivers' license fees and 25 percent of chauffers' licence fees. Local Share: None. Extent of Participation: 306 school districts.
STATE ADULT BASIC EDUCATION $ 42,500 (0.01%)	
PUPIL SUPPORT SERVICES	
PUPIL TRANSPORTATION $ 22,100,000 (6.43%) The pupil transportation formula is based upon 100 percent of the actual cost per pupil transported or the state average cost per pupil transported (whichever is lower) based on a density cost graph. Aid is provided for pupils living at least 2.5 miles from school.	State Share: Authorized amount. Local Share: Balance of the costs.
STATE SCHOOL FOOD ASSISTANCE $ 2,113,000 (0.61%) School food assistance is based on 4 cents per meal.	
DISTRICT CHARACTERISTICS	
FORT LEAVENWORTH SCHOOL DISTRICT $ 637,830 (0.19%) State payment to district with virtually no non-Federal land.	

KENTUCKY

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Joann Akers, Unit Director, Division of Local School District Finance, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 78 percent of the State-local revenues for elementary and secondary public schools were provided by the State.

2. State public school funds are derived from general fund appropriations which were made for the 1978-80 biennium.

3. On July 1, 1977, a $0.30 local property tax was converted into a State tax payable to the State General Fund. At the same time, the local school districts were no longer charged a local tax effort. Prior to that time, the State tax rate had been $0.15 and each school district had been subject to a required local effort, the proceeds of which had been deducted from the calculated cost of the district's foundation program.

4. The foundation program guarantee equals an estimated 78 percent of Statewide average expenditures per pupil in ada.

5. Employee benefit programs are funded by the State and are not reported as an aid payment to school districts. For 1978-79, State payments amounted to:

o Matching Teacher Retirement	$68,576,300
o Blue Cross and Blue Shild	16,183,900
o Life Insurance	1,000,000

6. New programs funded by the State since 1975-76 are: Program for the Gifted; Free Textbooks at Secondary level; a District Power Equalization Fund; Replacement of Student Fees and a Kentucky School Building Authority. The Building Authority will become operational in the 1979-80 school year.

LOCAL SUPPORT

1. The State has 181 fiscally independent school districts.

2. Approximately 69 percent of local revenues were derived from the property tax. Three districts levied occupational taxes which accounted for 20 percent of the local school taxes. Another 11 percent of the local revenues were raised from taxes on utilities. An estimated $185.9 million were raised as local leeway taxes for 1978-79.

3. In 1966, each district's levy contribution to the State basic support program was frozen by law, following a State Supreme Court ruling that local assessments had to reflect fair cash value. As a result, local tax rates were altered to yield the same levies in light of the new assessment levels. In general, these levies have grown as a result of revaluation and new additions to property. The State Department of Revenues certifies local assessment and the State Department of Education certifies the maximum tax rate which may be levied by the local school district.

4. Revenue or holding company bonds may be issued by the local government authority with the approval of the State Board of Education. These bonds are retired through the rentals paid by the local board of education for the use of the buildings.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $646,997,900 (100.0%)	
BASIC SUPPORT PROGRAM	
FOUNDATION PROGRAM FUND $602,039,300 (93.55%) (Sec, 157.310 to 157.540, Kentucky Revised Statutes)	State share: 100 percent. Full State Funding of Basic Program Local share: none Extent of Participation: 181 districts

Classroom Units Calculation

Basic Units (Est. $360,677,422)

Basic Units are allotted on the previous year's end-of-year ADA. One basic teacher unit is allowed, after reducing the ADA by 6.9 for each vocational unit granted and 5.1 for each exceptional children unit granted, for each 27 pupils in ADA in a non-isolated or over 100 ADA school.

Isolated schools

1 basic teacher unit per 12 ADA in each isolated 1-teacher school; and 1 unit for each 25 ADA in isolated schools with 2 or more teachers and an ADA fewer than 100. (21,169 units)

Vocational Units (Est. $47,399,716)

Vocational Units are granted for teachers employed in approved programs. (2,782 Units)

Exceptional Children Units (Est. $63,210,980)

Exceptional Children Units are granted for teachers employed in approved programs. (3,710 Units)

Kindergarten Units (Est. $13,630,400)

800 classroom units are funded in 1978-79 school year. 50 pupils enrolled are required for a unit. (800 Units)

Administrative and Special Instructional Units (Est. $57,724,744)

One unit for each 8-classroom units alloted in Basic, Kindergarten, Vocational & Special Education. (3,388 Units)

Supervisor of Instruction (Est. $4,855,830)

0.5 unit for 25-49.9 basic, kindergarten, vocational, and special education units allotted; 1 unit for 50-149.9 units; and 1 additional unit for each additional 100 units. (285 Units)

Directors of Pupil Personnel (Est. $3,254,258)

Proportionate fraction of unit allowed for below 36 basic units allotted. One unit for 36-165.9 and 1 additional unit for each additional 266, or fraction thereof, basic units. (191 Units)

Superintendent (Est. $3,083,878)

One unit is allotted each school district. (181 Units)

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Increased Attendance (Est. $3,833,550)

Classroom-unit allowance increased in proportion to increase in ADA for the first 2 months of the current year compared with a similar period for the preceding school year. (225 Units)

Extended Term

Salary allowances increased in proportion to the period of extended employment for approved positions up to the allowed maximum.

Total Units funded: 32,731

Estimated expense per unit:	average teacher salary per unit	$12,588
	current expense per unit	2,650
	capital outlay	1,800
	average cost per unit	$17,038

Allocation of Funds

Instruction Salaries ($412,027,550)

Amount per unit is based on both training and experience. A school district cannot pay any teacher less than 93 percent of the legislatively scheduled amount and must average the allotment.

Training	Experience (Years) 0-3	4-9	10 and over
M.A. Plus 30 Hours	$12,770	$14,100	$15,290
M.A	11,000	12,330	13,520
B.A.	9,330	10,760	12,230
96-128 Hours	7,510	7,510	7,510
64-95 Hours	6,630	6,630	6,630

Classroom unit allowance for each approved, certified, and qualified teacher employed at state-approved schools. $12,588 is average salary component of each classroom unit.

Current Expense ($86,737,150)

$2,650 per classroom unit.

Capital Outlay ($59,915,800)

$1,800 per classroom unit

Pupil Transportation ($43,358,800)

Cost figures separately established for county and independent school districts but allowance for independent school district is not to exceed minimum allowance for any county.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
POWER EQUALIZATION PROGRAM FUND $21,000,000 (3.25%) (Sec. 157.545 to 157.575, Kentucky Revised Statutes)	
The amount of the guarantee is limited by the appropriation. For the 1978-79 school year, this provision guarantees a tax rate of 7.85¢ per hundred of equalized valuation. The county with the highest equalized valuation has the equivalent of $108,049 of equalized property per pupil. The 7.85¢ tax rate when applied to this amount generates $84.85 per pupil. Districts must levy the 7.85¢ tax rate in order to receive their full allotment. For districts with lower tax rates, the allotment is reduced proprotionately	State share: The difference between the yield of the 7.85¢ tax rate on a districts equalized valuation per pupil and the guaranteed amount of $84.85 per pupil Local share: Proceeds from the qualifying tax rate 7.85¢ when applied to the equalized value of the districts property. ($28,000,000) Extent of Participation: 176 districts (5 districts are excluded because their equalized valuation exceeds the guaranteed amount; 6 districts levy less than the maximum tax rate)
PUPIL TARGET INSTRUCTIONAL PROGRAM	
Special Education .... See Basic Support Program	
GIFTED FUND $565,700 (0.09%) (158, Kentucky Revised Statutes)	
To provide experimental programs of instruction for gifted and talented students.	Full State Funding on Approved Application
Vocational Education . . . . See Basic Support Program	
PUPIL SUPPORT SERVICES	
Transportation . . . . See Basic Support Program	
VOCATIONAL TRANSPORTATION $1,338,400 (0.21%) (Sec. 157.370(8) Kentucky Revised Statutes)	
To provide transportation for students from their parent school to a state vocational-technical school or to a vocational educational center.	Full State Funding
TEXTBOOKS (Sections 157.100 to 157.200, Kentucky Revised Statutes) $7,728,500 (1.19%)	
To provide free textbooks to children attending grades kindergarten through twelve in the free public schools of the State.	Full State Funding
FEES $12,610,000 (1.95%) (Section 158 Kentucky Revised Statutes)	
Elimination of all charges for fees, and rentals for instructional material and for enrollment, participation, or completion in any regular school program.	Full State Funding Based on A.D.A. Times $19.89 Per Child in A.D.A.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CURRENT AID PROGRAMS, N.E.C.	
OUT-OF-DISTRICT $1,488,900 (0.23%) (Section 158.135 Kentucky Revised Statutes)	
To provide educational program to pupils enrolled in state-operated institutions, day treatment centers, and hospitals.	Full State Funding Above the Amount Provided in Basic Aid Formula.
SCHOOL AUDIT $227,100 (0.03%) (Section 165.255 to 156.295 Kentucky Revised Statutes)	
Reimburse school district for 50% of their cost for annual C.P.A. audit of school funds.	50% State and 50% Local on Total Cost of Audit.

LOUISIANA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

G. Byron Benton, Associate Superintendent, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 65 percent of the State-local revenues for the elementary and secondary public schools were provided by the State.

2. State funds for public schools are made through annual appropriations.

3. State payments to school districts from State revenue sharing funds are used to offset homestead exemptions provided by State law.

4. Beginning with 1976-77, the constitutionally required local support tax has been raised from equalized assessments as determined by sales ratio studies. The Constitution of 1974 provides that land and residential property be classified at 10 percent and all other property 15 percent of market value. Agricultural, horticultural, marsh and timber lands are to be assessed at 10 percent of use value rather than fair market value. A four year reappraisal interval was also provided by the Constitution.

5. The Constitution of 1974 limits the tax rate on property for all purposes to 5-3/4 mills on the assessed values. Homestead exemptions provisions exempt homesteads for the first $3,000 of assessed value which is equivalent to a $30,000 market value exemptions.

6. As parishes move towards reassessment, the Constitution further provides that millages shall be adjusted upward or downward so as to ensure that tax collections are equal to the levy total in the year preceding the implementation of the assessment provisions of the Constitution.

LOCAL SUPPORT

1. There are 66 fiscally independent school districts in the State.

2. The principal source of district revenues and their relative shares for 1978-79 were as follows:

Ad valoren taxes	38.2%
Sales taxes	47.7%
Collections, Food Service Program	5.6%
Rental and Interest Income	5.4%
All other	3.1%

   In addition, nine parishes apportioned special appropriations from the Policy Jury which amounted to $1.1 million.

3. Local contributions to the basic State equalization program amounted to $31.0 million. Other locally raised revenues equalled $356.3 million in 1978-79.

4. The Constitution requires a 5 mill (13 mills in Orleans Parish) levy for participation in the basic equalization program. Voter approval is required for any additional levy up to 20 mills, for periods up to 10 years. Optional local sales taxes have been imposed in 60 parishes with voter approval.

5. Maximum millage levies are 25 mills on assessed values and 3 percent limit on sales taxes for all local government units. Levy for capital improvement cannot exceed 25 percent of assessed valuation of taxable property in the district.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $716,114,772 (100%)

BASIC SUPPORT PROGRAMS

PUBLIC SCHOOL FUND--Equalization Aid Portion (Current expense, grades K-12) $613,461,924 (85.67%)

Instructional staff: (Est. $406,645,033)

Salary Allowance . . . . Scheduled amount per alloted teacher employed:

College Preparation or degree	Salary allowance in relation to teaching experience Range		Number of years to reach maximum
2 years	$6,620	$ 8,835	11
3 years	$7,042	9,363	11
B.A.	8,730	11,084	11
M.A.	8,941	12,080	12
M.A. + 30 hours	8,941	12,856	13
Specialist in Education	9,258	13,188	13
Ph.D	9,680	13,410	13

Teacher Units:

Elementary schools or departments over 203 ADM	1 unit per each 27 pupils in ADM.
Elementary school or departments under 203 ADM	1-30 ADM, 1 unit; 31-53, 2 units; 54-78, 3 units; 79-105, 4 units; 106-134, 5 units; 135-165, 6 units; 166-198, 7 units; 199-203, 8 units.
High school or departments over 438 ADM	1 unit per each 25 pupils in ADM.
High schools or departments under 438 ADM	1-22 ADM, 1 unit; 23-37, 2 units; 38-50, 3 units; 51-71, 4 units; 72-93, 5 units; 94-116, 6 units; 117-142, 7 units; 143-161, 8 units; 162-189, 9 units; 190-209, 10 units; 210-240, 11 units; 241-262, 12 units; 263-283, 13 units; 284-318, 14 units; 319-356, 15 units; 357-395, 16 units; 396-437 ADM, 17 units.
Grades 7-8	Units for grades 7-6 are calculated as high school units unless these grades are part of an elementary school.
Principals	1 unit if 7-teacher units; a second unit if there are 15 or more teacher units.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Calculated amount minus Required Local Share equals Receipts from Public School Fund Equalization Portion.

Local share: Property tax of up to 5 mills based on local assessed valuation. State revenue sharing funds to offset homestead exemptions attributable to the constitutional tax. Share amounts to $31,000,000.

Extent of Participation: All 66 school systems in the State.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Enrichment teachers
Vocational Education and Specialized Teachers in high school departments
(Grade 9 - 12)

2 units for high schools, 76-150 pupils. 2 additional units for each additional 300 pupils. Additional teachers are for vocational subjects and special courses and activities in high schools. The vocational and specialized departments must be in operation before the school district will be eligible to receive the additional teachers, and the enrichment teachers must be in full-time teaching capacity in the vocational and/or specialized fields represented.

Special education
Teachers (Est. $47,325,000)

The allotment of teachers is in addition to the allotment of teachers in the regular classroom and is based on the following minimum-maximum pupils per teacher or therapist:

A. Pupils in Self-Contained Classroom (per teacher)

	Pre-school and Elementary Level	Secondary Level
1. Mentally Retarded		
(a) Mild	9-17	10-19
(b) Moderate	8-15	9-17
(c) Severe	5-9	5-9
(d) Profound	4-7	4-7
2. Emotionally Disturbed	7-13	7-13
3. Autistic	2-4	2-4
4. Educationally Handicapped	12-23	14-27
5. Learning Disabled	7-13	8-15
6. Severe Language Disorders	5-9	5-9
7. Visually Handicapped		
(a) Blind	6-11	7-13
(b) Partially Sighted	7-13	8-15
8. Hearing Impaired		
(a) Deaf	6-11	7-13
(b) Hard of Hearing	8-15	9-17
9. Orthopedic Handicap (including cerebral palsy & other anatomical amomalies)	6-11	7-13
10. Other Health Impaired (including neurological & cardiac disorders)	7-13	8-15
11. Multiple Handicapped (Deaf-Blind)	4-7	4-7
12. Gifted and Talented	12-23	14-27
13. Non-categorical Preschool Program	6-11	
B. Resource Room and Itinerant Instruction		
1. Pupils with severe impairments	5-10	5-10
2. All other pupils	14-27	14-27
C. Hospital and Homebound - All Pupils	6-11	6-11
D. Speech Therapy	40.79*	40-79*

*Weighted caseload for moderately handicapped (X2); severely handicapped (X3); Profound and multipled handicap (X4).

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Special education teacher aides (Est. $8,918,560)

The salary of one teacher aide (up to $3,945) may be included for each self-contained class with the exception of educationally handicapped and gifted and talented classes.

Special education bus attendants (Est. $975,000)

The salary for each approved bus attendant (up to $2774) may be allowed.

When there are fewer than the minimum number of pupils per teacher as specified above, but not fewer than five pupils per teacher, then the State allotment for the approved teacher shall be reduced 1/10 for each pupil less than the specified minimum. The amount of the reduced State allotment shall be paid the teacher from local school board funds.

Supervisors

$16,107 for each allotted position filled; 1 position for 40 teacher units; 2 for 150 teacher units or fraction thereof; and an additional position for each 150 additional teacher units.

Special Education Supervisors (Est. $982,526)

One allotted to each LEA, if employed, at $16,107 for each allotted position filled.

Visiting teachers or supervisors of child welfare and Attendance . . . . .

One is allotted at $13,940 for each 15,000 educable children in a school system.

Pupil transportation (Est. $69,120,000)

$4,127 to $5,063 per bus driver-operator salary plus an allowance for bus operating costs.

Other Current expense

$48 per pupil in ADM

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

Special Education . . . . See Basic Support Program

SPECIAL EDUCATION Title 17, Louisiana Revised Statutes of 1950 as amended by Act 754 of 1974 $16,775,257 (2.34%)

State share: 100 percent of calculated amount.

Local share: None.

Extent of Participation: All 66 school systems.

Home-bound children

$6.00 per hour limited to 100 hours per school year and all exceptionalities are eligible.

Equipment, materials and supplies for special education direct allocation to parishes based on $6.00 per child.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Funds are used for: Enrichment programs for gifted and talented. Contract services in accordance with Act 754 of 1974. Provides funds to purchase services for handicapped children which cannot feasibly be provided for by local school systems. Transportation for residential school students and support for nine trips annually for in-state school students and two trips annually for out-of-state school students. Pupil appraisal programs which provide diagnostic services to elementary and secondary students. Information on other Special Education Programs may be obtained upon request.	
REGULAR VOCATIONAL EDUCATION FUND (Title 17, Secs. 151, 2031-6 Louisiana Revised Statutes of 1950) $3,546,932 (0.50%) Salaries for extended term of vocational agriculture, home economics, distributive education, trade and industry, and adult evening classes Cost of extended term salaries based on State salary schedule and amount of travel expense as allowed. Includes salary adjustment for Agriculture Teachers, Title 17, Sec. 422A Louisiana Revised Statutes of 1950. School systems must maintain vocational departments which meet standards prescribed by the State plan for Vocational Education, the teachers of which must be employed on a 12-month basis. School systems must employ agriculture teachers beyond a nine-month term. Vocational Education See also Basic Support Program	State share: 100 percent of calculated allowance. Amount shown does not include Federal funds also provided for this program. Local share: All costs not covered by reimbursement. Extent of Participation: All 66 school systems.
DRIVER SAFETY EDUCATION FUND (Acts 282 -283 of 1968, Reg. Session) $536,263 (0.07%)	State share: Total appropriations are used for general administrative purposes which include a Section Chief, two Supervisors of Instruction, one Driver Simulator Coordinator and maintenance as well as operational costs, excluding instruction, of a driver simulator program. Local share: Local districts provide all other costs such as instruction, textbooks, classroom and others. In some instances, students are charged a fee which ranges from $15 to $45 depending upon local option. These funds are in turn used by the local school systems to defray their costs. Extent of Participation: 61 school districts.
ADULT ACADEMIC EDUCATION (Act 43 of 1974, Reg. Session) $2,469,704 (0.34%) $8.00 per clock hour of instruction	State share: 100 percent of calculated allowance. Local share: All costs not covered by reimbursement. Extent of Participation: 66 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
RIGHT TO READ (Act 15 of 1974, Reg. Session) $ 437,853 (0.06%)	State share: 100 percent of calculated amount. Local share: None. Extent of Participation: 55 school districts.
COMMUNITY FOOD PRESERVATION UNITS (Act No. 5 of 1965) $ 370,930 (0.05%) School systems must use funds for the development of school-community food preservation units and submit a plan for the use of these funds.	State share: Proportion of total Publc School Fund amount for the parish to the total Public School Fund amount for the State. Local share: All costs not covered by reimbursement. Extent of Participation: 34 school districts.
EDUCATIONAL AND RECREATIONAL YOUTH CENTER (Act 29 of 1955) $ 93,879 (0.01%) Center is established so that Future Farmers of America students and other state-wide groups might be provided with a facility for district and State conferences, for recreational purposes, for leadership training, and for the study of soil conservation.	State share: 100 percent of cost Local share: None
PUPIL SUPPORT SERVICES	
Transportation — See Basic Support Program	
TRANSPORTATION OF STUDENTS - ALTERNATIVE Act 18 of 1977 $7,000,000 (0.98%) If transportation cannot be provided by a parsish or city school board because of economically justifiable reasons, the parent or tutor of any student who resides more than one mile from the school attended may be reimbursed at the annual rate of $100 per student, but not to exceed $200 for any one family.	State share: 100% of calculated amount. Local share: None
TEXTBOOKS AND SUPPLIES FUND (Title 17, Sec. 351, Louisiana Revised Statutes of 1950) $16,455,923 (2.30%) All public, private, and parochial school systems must report enrollment figures and submit requisitions for materials.	State share: 100 percent of calculated amount. Local share: None. Extent of Participation: All 66 school systems.
SCHOOL LUNCH FUND (Title 17, Secs. 191-199, La. Revised Statutes of 1950) $12,975,620 (1.81%) $.09 per type A meal served with milk.	State share: 100 percent of calculated amount. Local share: None, but district must have spent program amounts to receive its reimbursement. Extent of Participation: 66 school systems.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DISTRICT CHARACTERISTICS		
INTEREST ON FREE SCHOOL FUND (School facilities) (Title 41, Secs. 841-844 Louisiana Revised Statutes of 1950) Proportion of area of 16th section lands which were located in each parish. School district must have school lands or have to its credit funds realized from the sale of school lands or timber on such lands.	$ 82,507 (0.01%)	State share: 100 percent calculated amount. Local share: None. Extent of Participation: 64 school districts.
EMPLOYEE BENEFITS		
EMPLOYERS' CONTRIBUTION RETIREMENT SYSTEM FUND (Title 17, Secs. 696 and 984, Revised Statutes of 1950) The amount includes the State's share of the current employers' contribution rate of 8% of the amount allowed in the cost program of the equalization distribution for salaries of principals and teachers, supervisors, and visiting teachers, plus 8% of the total salaries of all other school personnel, including superintendents and clerical personnel, who are members of the teachers's retirement system, but whose salaries are not governed by a State minimum salary schedule.	$41,908,000 (5.85%)	State share: Calculated amount on salaries within minimum salary schedule. Local share: Act 158 of 1969 as amended by Act 28 of 1970 requires local boards to pay portion of Employer's Contribution on salaries in excess of State Minimum Teacher's Salary Schedule less amounts made available from school districts' tax levies. Extent of Participation: All 66 school systems.

MAINE

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Lucille Johnson, Supervisor, School Finance Information, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 52 percent of the State-local revenues for education.
2. State school aid funds are derived from annual appropriations.
3. The State guarantees $910 for all elementary pupils and $1,220 for all secondary pupils for FY 1978-79.
4. The State fully funds the employer contribution for teacher retirement which amounted to $20,060,196 in 1978-79. This amount is not reported as a State school aid.
5. The Private School Service Act is the only new program enacted since 1975-76. This Act allows the State to support municipal costs incurred for the transportation of private school children in FY 1979. Starting in FY 1980, service support will extend to textbooks, medical services and standardized testing. All of these services will be reimburseable on the basis of 50 percent of prior year (one-year old) costs.
6. On December 5, 1977, the recapture provision of the Uniform Property Tax was abolished by public referendum effective with the 1978-79 school year.

LOCAL SUPPORT

1. There are 283 fiscally dependent school districts in the State.
2. Property taxes constitute the sole source of revenues for public schools.
3. Local contributions to the basic support program including the State supported leeway option amount to $155.5 million for 1978-79. Additional unequalized local dollars were $16.5 million in the same year.
4. The local levy is subject to an annual approval by the school administrative unit's legislative body (town or city council, selectmen, town meeting, district budget meeting).
5. There is no maximum levy or tax rate limit in effect.
6. The district debt is equal to 15 percent of the unit's valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$171,585,765	(100%)

BASIC SUPPORT PROGRAMS

SCHOOL FINANCE ACT OF 1978, Ch. 515, Sec. 4741-4758	$171,585,765	(100%)

Basic Education Allocation Elementary and Secondary Costs	($125,775,564)

For 1978-79, the State Legislature has set elementary operating cost of the basic support program at $910 and the secondary operating costs at $1,220. These are known as the base year costs. The base year costs are the actual operating costs of the second prior year adjusted to reflect prior year (one-year old) costs.

Cost adjustments vary by program. The following programs are funded on the basis of 90 percent of prior year (one-year old) costs:

Special Education operated by LEA	($5,106,695)
Special Education tuition and board	($1,496,577)
Vocational Education costs	($3,789,162)
Transportation operating costs	($8,893,120)

The following programs are funded on the basis of 100 percent of prior year costs:

School bus purchases	($1,559,789)
Approved leases	($ 248,521)
Insured value factor	($ 159,523)

Approved school construction costs are computed on the basis of 100 percent of the year of the allocation.

Funding of Program

Funding of the basic education allocation comes from two sources. Up to one-half is produced by a subsidy index which is set by the Legislature and multiplied by the State valuation of each municipality as long as such amount does not exceed an individual unit's basic education allocation.

For 1978-79, the subsidy index is set at 10 mills which yields 46.5 percent of the basic education allocation. The remaining 53.5 percent is funded from general fund revenues of the State. The subsidy index is a mill rate set each year by the Legislature which is not a required levy, but when multiplied by the State valuation of each municipality determines the local share of the basic education allocation.

NOTE: 53.5% of the combined State/local allocation were attributed to State funding for each program.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: The State allocation (subsidy) is computed by subtracting the local allocation from the State-local allocation.

Local share: The subsidy index, 10 mills, multiplied by the local school unit's State valuation is the local share. The raising of the local share is optional and is subject to approval by the school administrative unit's legislative body. If the 10 mill local allocation is greater than the State-local allocation, the unit's allocation is limited to the amount of the State-local allocation and the unit receives no State funds. Subsidy index @ 10 mills = $140,342,000.

The State allocation to the individual units ranges from 0 to approximately 90 percent of the State-local allocation depending on the State valuation of the unit.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Local Leeway ($9,140,409)

The Legislature appropriated funds to guarantee each LEA $125 per pupil when an optional 1.3 mills are voted by the unit's legislative body. A unit must raise its full local allocation before the State will participate in the local leeway program.

Local share: $15,162,917

Subsidy Adjustments

Additional funds are appropriated by the Legislature as subsidy adjustments for the local units for:

1. Unusual increases or decreases in enrollment Est. ($ 350,000)
2. To compensate for high costs associated with geographic isolation ($ 267,642)
3. To ensure that small administrative units have sufficient funds to operate current programs ($ 85,000)
4. For audit adjustments ($ 50,000)
5. For educating pupils residing in State institutions ($ 600,000)

Private School Costs ($ 206,763)

State payments are made to municipalities which appropriate municipal funds for services to pupils attending non-profit private schools. Transportation costs are the only costs reimbursable in FY 1979 on the basis of prior year (1977-78) costs incurred.

Local Debt Service Costs Supported by State ($13,803,000)

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

Special Education . . . . See Basic Support Program
Vocational Education . . See Basic Support Program

PUPIL SUPPORT SERVICES

Transportation . . . . . See Basic Support Program
Bus Purchases . . . . . See Basic Support Program

DISTRICT CHARACTERISTICS

Enrollment Changes)
Geographic Isolation) See Basic Support Program
Small School Units)

CAPITAL SUPPORT PROGRAMS

Local Debt Service . . . See Basic Support Program

MARYLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

David G. Ricker, Assistant State Superintendent, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 34 percent of the State-local revenues for the elementary and secondary public schools are provided by the State.
2. State schools funds are derived annually from State appropriations.
3. The basic support program guarantees $784 per pupil. This amounted to an estimated 52 percent of Statewide average expenditures per pupil.

LOCAL SUPPORT

1. The State has 24 fiscally dependent school districts.
2. Financial support from local sources for the operation of public elementary and secondary schools is derived mainly from general fund revenues in the 24 political subdivisions which includes 23 counties and Baltimore City. All of the subdivisions in the State are allowed to levy an income tax based on the Maryland State tax liability. They are permitted to levy a surtax of any percentage falling within the range of 20 to 50 percent in even multiples of 5 percent. Most subdivisions rely heavily on this source of revenue.
3. For 1978-79, the local contribution to the basic support program amounted to $254,259,837. An additional $672,770,179 were local revenues made available for public schools.
4. No limit is specified for the tax rate which may be levied to support public education. Tax rates require the approval of the board of county commissioners for the counties and of the city council for the City of Baltimore. There is no provision for approval of tax rates by the electorate.
5. Tax rates are levied on the valuation of property, which is assessed under the supervision of the State.
6. Except in charter counties where the school debt limit is 10 percent of the assessed valuation, there is no specified debt limit nor is there any local authority to issue school bonds. County commissioners may issue bonds when so authorized by the State legislature.
7. Taxes for debt, like current operating levies, have no limitation rate.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL	$773,436,534 (100%)	
BASIC SUPPORT PROGRAM		
STATE SHARE OF BASIC CURRENT EXPENSE (Education Article Section 5 - 202)	$319,168,102 (41.26%)	State share: The State share is equal to 55% of the product obtained by multiplying $624 by the number of pupils enrolled in the State in September of the prior year and adding 50% of $160 multiplied by the same pupil count. Local share: The local contribution for the basic minimum program equals 45 percent for the State as a whole. Local wealth is measured by: (a) assessed value of real property as of July 1 of the first completed year preceding the school year for which the calculation is made; and (b) the net taxable income for the second completed calendar year preceding the school year for which the calculation is made. (The assessment ratio is adjusted to 55 percent in all districts). The combined real wealth and income measures for the State as a whole are divided by the required local dollars needed for the basic minimum program to determine the local contribution rate. This rate is then applied to the wealth and income measure for each LEA to determine its own share of the required local contribution. Extent of participation: 24 school districts.
Basic Program — $784 per enrolled student, September 30th (prior year)		
Density Factor — $100 per student enrolled in school districts with a population density measure no less than 8,000 per square mile (applies only to Baltimore City). Two thirds of density aid must be used for compensatory purposes. LEA must submit a plan for approval by the State Superintendent of Schools.	($13,982,460)	
Tuition - Cross County — For pupils crossing county lines to closest school, the State pays the difference in local cost if receiving county cost is greater.		
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
HANDICAPPED CHILDREN (Education Article Section 8.417) Cost of teacher salaries, special equipment, nursing and therapeutic treatment. Cost of nonpublic placement if no program available.	$ 61,940,237 (8.00%)	State share: Approximately 70% of costs. In addition, the State pays all costs over 300% of each subdivision's basic education expenses for handicapped children in private facilities. Local share: Approximately 30 percent. Extent of participation: 24 school districts.
VOCATIONAL RELATED PROGRAMS Includes: Industrial Training, Apprenticeship, Vocational Centers, and Career Education.	$ 1,282,500 (0.16%)	State share: Funding of specific proposals Extent of participation: Various statewide projects.
DRIVER EDUCATION Special fund revenue from highway trust fund.	$ 3,500,000 (0.45%)	State share: $65 per pupil completing course or actual cost whichever is less. Local share: All additional program costs. Extent of participation: 24 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
ADULT EDUCATION $ 430,000 (0.05%) State funds supplementing Federal Adult Basic Education Aid are used for adult general education.	State share: To the amount budgeted, distribution following Federal aid. Local share: Costs in excess of State and Federal aid. Extent of participation: State approved program proposals.
PUPIL SUPPORT SERVICES	
TRANSPORTATION (Article 77, Section 19, 99 (Grades K-12) $ 63,040,706 (8.15%) Amount of approved expenditure for public day school programs and for transporting handicapped pupils to approved nonpublic programs.	State share: About 90% of total costs. Local share: About 10% of total costs. Extent of participation: 24 school districts.
Transportation (handicapped pupils) ($ 2,257,975) For transporting handicapped pupils to approved nonpublic programs.	
FOOD SERVICES $ 4,575,247 (0.59%) Cost of free and reduced price lunches and breakfasts in addition to Federal aid.	State share: Supplements Federal school lunch program. Local share: Amount not covered by State or Federal funds.
DISTRICT CHARACTERISTICS	
Density Factor See Basic Support Program	
CURRENT AID PROGRAMS, N.E.C.	
SCHOOL COMMUNITY CENTERS $ 1,235,000 (0.15%) Cost of keeping schools open on evenings and weekends for education and leisure activities.	State share: Allocations by project. Local share: Costs above State Share. Extent of participation: 24 school districts.
STATE SUPPORT - EMPLOYERS SHARE OF SOCIAL SECURITY AND RETIREMENT $183,764,878 (23.75%)	State share: 100% for those in teacher's retirement system. Local share: None Extent of participation: 24 school districts.
CAPITAL SUPPORT PROGRAMS	
SCHOOL CONSTRUCTION (Article 77, Section 130, 130A) $134,499,864 (17.38%) The State pays 100 percent of approved school construction beginning February 1, 1971. The principal and interest payments on local and State debt created prior to June 30, 1967 is also paid by the State.	State share: All costs of construction except site purchase All cost of debt service obligated prior to July 1, 1967. Local share: All costs not covered by reimbursement. Extent of participation: 24 school districts.

MASSACHUSETTS

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Geraldine Mercandante, Office of Executive Planning, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 31 percent of State-local revenues for elementary and secondary public schools are provided by the State.

2. State revenues for public schools are provided by annual appropriations.

3. The following taxes are rebated to cities and towns as property tax relief measures: 1¢ gasoline tax and 40 percent of net revenues from State sales and use taxes and income and corporate excise taxes. The State provides a number of additional payments to local governments as tax relief measures, chiefly, payments in lieu of taxes, net revenues from the State run lotteries, and funds for abatements for veterans and widows.

4. In FY 1977, State aid under the basic equalization program amounted to 22 percent of reimbursable programs, which accounted for 80 percent of total current operating expenditures.

5. The employer contributions to the School Employee Retirement Fund are made solely by the State and are not reported as a State school aid program. In FY 1977, this contribution amounted to $118.2 million.

6. The equalization aid program enacted in 1978 is a major school finance program with a substantial equalization potential. However, at the present time, the majority of districts receive basic aid under the hold harmless provision.

7. A constitutional amendment passed in 1978 enables the legislature to establish classifications for the assessment of residential, commercial, industrial and open land properties and for a uniform homestead exemption.

LOCAL SUPPORT

1. There are 437 fiscally dependent school districts in the State.

2. All of the local school tax revenues are derived from property taxes.

3. Bonding limit is 2½ percent of equalized (estimated at full market value) property value in cities and 5 percent in towns. However 90 percent of the borrowing occurs outside the debt limit. If the Emergency Finance Board approves a school district's plan to borrow, a vote can be held to bond above the limit.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $859,292,138 (100%)

BASIC SUPPORT PROGRAMS

CHAPTER 70 SCHOOL AID $633,500,000 (73.72%)
(CH. 367, Acts of 1978)

This new aid formula replaces the previous Chap. 70 aid program which had been in effect since 1965.

Aid is based on current year pupil counts. A system of pupil weights has been introduced to provide aid for pupils in the regular program and for those enrolled in special education, bilingual education and vocational education. Pupils are counted on a full-time equivalent (FTE) basis or fractions thereof when enrolled in two programs. Pupils enrolled in multiple programs are counted in the program carrying the highest weight. A pupil weighting index was established which reflects relative differences in statewide expenditures per pupils among programs, as follows:

Regular day	1.0
Transitional Bilingual Program	1.4
Special Needs Programs (including regular education program with modifications, regular education with no more than 25% time out, regular education with no more than 60% time out, and substantially separate, home and hospital, day program prototypes	4.0
Vocational Education Program)	2.0

AFDC pupils receive an additional weighting. .2

Expenditures for pupils in other school programs (regular evening, regular vacation, and adult education) will be converted into FTE basis. Expenditures for these programs, after adjustment for tution payments and revenues, are divided by the average current expenditures per regular day FTE to derive the FTE count. The number of FTE pupils obtained will be added to the district's weighted FTE pupils in distributing aid during the following year.

The revised Chapter 70 aid formula is:

Aid Entitlement for School District A	=	School Aid percentage of School District A	X	Sum of weighted FTE pupils in School District A during the current fiscal year	X	Statewide average current operating expenditure per pupil in regular day program during the previous fiscal year

State Share: Appropriated amount.

Local Share: Balance of costs.

Extent of Participation: 351 cities and towns. 86 regional and county schools.

320 cities and towns receive aid under the Save Harmless provisions. They enrolled 716,030 out of 1,149,628 unweighted FTE pupils.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

The Statewide average operating expenditures for 1977-78 was estimated at $1,592.

The school aid percentage is based on a local support percentage and a local valuation percentage as follows:

$$\text{School Aid Percentage} = 100\% - \left[\begin{array}{c}\text{local}\\ \text{support}\\ \text{percentage}\end{array} \times \begin{array}{c}\text{local}\\ \text{valuation}\\ \text{percentage}\end{array}\right]$$

The school aid percentage is not allowed to fall below 0.

The 'local support percentage' is the percentage amount of school expenditures that the district with the Statewide average valuation percentage will assume as a local share. For each fiscal year the local support percentage (p) will be derived which will result in the distribution of the available State aid after taking into account the amount needed for districts whose aid entitlement is calculated under the save-harmless provisions. For FY 1979, (p) was projected at .8551. Of the appropriated amount for FY 1979 of 633.5 million, only $179.5 was distributed under the calculation of the formula. The balance of the funds were distributed under the "save-harmless' provisions. (See below).

The 'local valuation percentage' is the ratio of a district's equalized valuation per person and the Statewide equalized valuation per person. For this calculation, the most recent available State or Federal population census count will be used.

It should be noted that the actual expenditures by each district during the previous year do not enter into the calculation of that district's aid entitlement except as these expenditures contributed to the computation of the Statewide average for the previous year. Thus, the size of the aid entitlement for a particular district does not depend on its expenditures during that year. This formula will give relatively more aid to districts which spend less and less aid to districts which spend more than the previous year's Statewide average expenditure per pupil, for districts of equal wealth.

Minimum Guarantee or Save Harmless Provision ($454,000,000) Est.

Each district is permanently guaranteed at least 107% of aid received in FY 1978.

Seventy percent of the aid paid must be spent on the programs which generated the aid, specifically for instructional services,attendance services, health services, fixed charges and good services.

Regional school districts will receive the new chap. 70 aid directly.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special education) Vocational education) See Basic Support Program Bilingual education)	
STATE WARDS FUND (Chapter 76, Secs. 7-10, General Laws; Chap. 71b, Sec. 10, General Laws) $3,000,000 (0.35%) This program reimburses districts for the educational costs of state wards who are placed outside their home towns.	
PUPIL SUPPORT SERVICES TRANSPORTATION EXPENSE FUND $34,033,756 (3.96%) The Commonwealth reimburses pupil transportation costs to cities and towns under the provisions of Chapter 71 Section 7A for pupils transported more than one and one-half miles to and from school once daily in excess of $5 in Net Average Membership, along with the cost of transportation of non-public school pupils within similar regulations. The full cost of transporting pupils over one and one-half miles to and from regional school districts is reimbursed under the provisions of Chapter 71, Section 16C. Chapter 636 of the Acts of 1974 provides for reimbursement of 100% of the costs of transporting certain students for the purpose of eliminating or reducing racial imbalance. ($33,000,000) Common carrier transportation costs are reimbursed at 20 cents per day when school buses not available ($700,000). Vocational school transportation costs are reimbursed at 50 percent when pupils attend vocational education programs in another city or town ($333,756).	State Share: Appropriated amount.
SPECIAL AND BILINGUAL TRANSPORTATION $12,500,000 (1.46%) This program reimburses the costs of transporting pupils to and from special needs and bilingual programs and the costs of transporting children and adults to and from Department of Mental Health programs. Reimbursement of special needs and bilingual costs will be 100% subject to a ceiling on per-rider costs. The cost of transporting adults to DMH facilities will be fully reimbursed. The cost for children will be reimbursed at 50%. Approximately 80 percent of the funds are used for transporting special needs pupils and 5 percent for transporting bilingual pupils.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
SPECIAL NEEDS RECREATION Reimburses districts for 50% of the cost of approved special needs recreation programs.	$550,000 (0.06%)	
SCHOOL LUNCH FUND (Chapter 548, Secs. 1-8, as amended, General Laws) Funds apportioned according to number and kind of meals.	$6,988,000 (0.81%)	Extent of Participation: 338 school districts.
SCHOOL LUNCH PROGRAM FOR ELDERLY	$736,756 (0.09%)	
CURRENT AID PROGRAMS, N.E.C.		
REGIONAL SCHOOL AID Chapter 492 of the Acts of 1974 amending Section 16D of Chapter 71 provides for distribution of regional school aid. The formula takes into consideration the reimbursable expenditures of regional school district multiplied by a predetermined regional school aid percentage, and provides an incentive for full K-12 regionalization.	$38,441,069 (4.4%)	
PROGRAMS PROMOTING RACIAL EQUALITY:		
a) PROGRAMS TO REDUCE RACIAL IMBALANCE - (METCO)	$7,000,000 (0.82%)	State Share: 100 percent of cost of transporting inner city pupils to suburban schools.
b) MAGNET EDUCATION PROGRAMS Projects to foster quality integrated education	$3,000,000 (0.35%)	
c) EQUAL EDUCATION IMPROVEMENT FUND Projects designed to defray costs of desegregation	$6,000,000 (0.70%)	
CAPITAL SUPPORT PROGRAMS		
SCHOOL BUILDING ASSISTANCE PROGRAM For grants and reimbursements to cities, towns, regional school districts and counties for annual payments on account of school projects approved prior to July 1, 1975 and all other school projects approved on or after said date on which the first annual payment has been made. ($107,740,213) Chapter 645 of the Acts of 1948, as most recently amended, provides that in each fiscal year, commencing with the fiscal year beginning on July 1, 1977, there shall be appropriated for grants and reimbursements to cities, towns, regional school districts and counties for first annual payments on school projects approved on or after July 1, 1975. ($4,852,344)	$113,242,557 (13.18%)	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
The third item is for grants and reimbursements for cities, towns, regional school districts and counties under the provisions of Chapter 645 of the Acts of 1948, as amended, for (a) educational engineering and architectural services for regional school districts as set forth in section six of said act, (b) for surveys made of school building needs and conditions as set forth in section 6 A of said act and (c) for matching stabilization fund payments. ($950,000)	

MICHIGAN

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Pauline Bombrys, State Aid Analyst, served as the State authority for the preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 43 percent of the State-local revenues for elementary and secondary public schools were provided by the State.

2. State funds for local schools are derived almost equally from a School Aid Fund and annual appropriations. Revenues for the School Aid Fund are earmarked from 60 percent of the 4 percent State sales tax, and State taxes on cigarettes and hard liquor.

3. In 1977-78, the basic support program guaranteed an estimated 89 percent of average general fund expenditure per pupil.

4. The State fully funds the employer contribution to Social Security and to the State Teacher Retirement Fund. For 1978-79, these contributions amounted to $426.9 million and were not reported in the school aid program.

5. New programs funded by the State since 1975-76 are:

   .Local operating Revenue Guarantee--Provides a 5 percent increase over the prior year in combined revenues per pupil from the State share of the basic membership allowance, the local operating guarantee and local operating levies.

   .Declining Enrollment Allocation--Provides basic membership reimbursement for 40 percent of a district's membership decline.

6. In November 1978, a successful constitutional referendum authorized the following:

   .The annual growth in State and local revenues will be tied to the Consumer Price Index (CPI). For local school finance purposes, if a district's State equalized valuation (SEV) exceed the CPI, the millage rates must be lowered by the same percentage as the SEV exceeds the CPI.

   .Any mandated special education program will be fully funded by the State.

   .Henceforth, voters must approve all schools bond issues and the millage required for debt service. (Previously, general obligation bonds had been issued.)

LOCAL SUPPORT

1. The State has 577 fiscally independent school districts.

2. Property taxes constitute the sole source of district tax revenues. School tax rates are approved by voters for periods up to 20 years.

3. A county may levy taxes for special education and vocational education, the proceeds of which are allocated to the school districts within the county.

4. The State Constitution allows local taxes of up to 15 mills of the State equalized valuation of taxable property to be levied for all public purposes without electoral approval. A county allocation board apportions a part of this levy to school districts. An alternative procedure is provided by the Property Tax Limitation Act which allows the county electorate to vote taxes up to 18 mills and specify their distribution. The Constitution places a 50 mill limit on tax levies for all local jurisdictions with voter approval. Tax levies for debt service are excluded from this limit.

5. A district's debt limit is equal to 15 percent of its State equalized valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $1,450,865,000 (100%)

BASIC SUPPORT PROGRAMS

BASIC MEMBERSHIP ALLOWANCE (Sec. 21, 23, 25, and 143) $1,136,022,000 (78.30%)

The basic membership formula guarantees the yield of a formula of $274 plus $40.00 per mill for the first 30 mills which a district levies for operations for a total guarantee from State and local funds of $1,474.00 per pupil.

The 1978 State Aid Act provides a basic membership formula which guarantees combined State and local funds of $1,474 per pupil to those districts levying 30 mills for school operations. The formula provides state funding to in-formula districts in an amount per pupil of $274 plus operating mills levied through 30 mills multiplied by the difference between $40,000 and the district's state equalized valuation per pupil.

In the Basic Membership count, adults enrolled in courses leading to a high school diploma or in adult basic education are included. The attendance count is based on the hours of instruction each receives per week.

The 1978-79 State Aid Act initiates a rollback provision which provides property tax relief by equalizing mills levied in excess of 30 mills. In order to qualify for the rollback provision, a district may levy no more mills in excess of 30 mills than the following computation permits:

> Authorized mills in excess of 30 mills x state equalized valuation per pupil ÷ $40,000.

Eligibility for equalization of mills in excess of 30 mills is limited to those districts with a state equalized valuation per pupil of less than $40,000.

The funds consist of $1,069,726,000 Basic Memership Guarantee; $32,000,000 Municipal Overburden; $21,100,000 Declining Enrollment; $5,864,000 Miscellaneous; $7,332,000 Local Operating Revenue Guarantee.

Municipal overburden funds are allocated up to the appropriation cap to school districts where the total levies for other than school operating expenses, exceed the Statewide average by 25 percent.

The declining enrollment allocation formula provides basic membership reimbursement for 40 percent of a district's membership decline to the appropriation cap.

The local operating revenue guarantee provides local districts a 5% increase over the prior year in combined revenues per pupil from the state share of the basic membership allowance, the local operating revenue guarantee, and local operating levies.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: 100 percent of the state share of the two part basic membership guarantee.

The state share of the per pupil guarantee is $274 plus or minus the product of the operating mills levied, with a maximum of 30 mills, multiplied by the difference between $40,000 and the school district's state equalized valuation per pupil. District entitlement is determined by multiplying the full time equated membership in the district by the state's share of the per pupil guarantee.

Local Share: Local share under the basic membership guarantee is the local property tax levy, determined by multiplying district operating mills levied through 30 mills times the district equalized valuation

Extent of Participation: 460 districts in basic membership.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
INTERMEDIATE DISTRICT AID (Sec. 81, 83) $14,700,000 (1.01%) Distribution of state school aid to intermediate school districts for general operation purposes is based on a per pupil formula. In addition, state funding is available to intermediate school districts for educational media centers.	State Share: Calculated amounts to the appropriation totals. Sum obtained by multiplying the number of pupils in membership in the constituent districts of the intermediate district by $10.00 each and reducing such sum by a sum equal to .12 mill on the state equalized valuation of the property in the intermediate district, to a maximum appropriation of $13,200,000. $1,500,000 is available for operation of the 22 educational media centers approved by the State Board of Education on the basis of a $25,000 basic grant increased by a per capita amount for each pupil in the media center's geographic area. Local Share: Remaining costs. Extent of Participation: 58 intermediate school districts comprised of 83 counties.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SPECIAL EDUCATION (Sec. 51, 146) $102,254,000 (7.05%) Programs and services must be approved by the State Department of Education and be a part of the intermediate district plan, and district must provide necessary reports.	State Share: Calculated amounts to the appropriation total. 75 percent of added costs of special education programs Added costs are district reported approved program costs reduced by the district's basic membership guarantee applicable to special education memberships. Funding is available to an appropriation cap. Section 146 guarantees local districts a 5% increase over the prior year in per pupil special education revenues from Sec. 56 intermediate equalization, county wide special education millage levies and this section. The estimated 1978-79 state cost is $40,000. Local Share: Remaining costs. Extent of Participation: 550 local and intermediate school districts.
VOCATIONAL EDUCATION (Sec. 61) and Sec. 63) $26,100,000 (1.80%) District must operate approved program.	State Share: 75 percent of added costs of secondary level vocational education programs. Local Share: Remaining costs. Extent of Participation: 372 local and intermediate school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
INTERMEDIATE EQUALIZATION (Sec. 56, 62) $16,289,000 (1.12%) Intermediate districts levying millages for special education or for area vocational-technical education.	State Share: 40% of an amount per prior year membership computed by subtracting from $40,000 the prior year state equalized valuation per membership and multiplying the difference by prior year mills levied for special education or for vocational-technical education. It is estimated that millage equalization formulas will require state funding for special education in the amount of $12,462,000 and for $3,827,000 for vocational-technical. Local Share: Remaining costs. Extent of Participation: 50 intermediate school districts.
EXPERIMENTAL AND DEMONSTRATION PROGRAMS (Sec. 47) $500,000 (0.03%) Application by district operating a Department of Education approved program for the academically talented.	State Share: Calculated amounts to the appropriation totals. Half the sum will be allocated for approved experimental programs with academically talented pupils. The balance is for 75% of the salaries of support teachers for the academically talented, to a maximum of $12,000 each. Local Share: Remaining costs. Extent of Participation: 39 local and intermediate districts.
COMPENSATORY EDUCATION (Sec. 31) $30,700,000 (2.12%) 15 percent or more of pupils in grades K-6 in need of substantial improvement in basic cognitive skills based upon state assessment battery given in the fall of the three prior years.	State Share: Not to exceed $250 per eligible pupil. Local Share: Any costs not covered by grant. Extent of Participation: 129 districts.
READING SUPPORT (Sec. 43) $2,000,000 (0.14%) Programs must be approved by the Department of Education as part of the district application. Districts qualifying for aid under Sections 31 and 43 receive aid only under the Section which provides the most.	State Share: 75 percent of approved teacher salaries not to exceed $8,100 for any one individual. Local Share: Remaining costs. Extent of Participation: 299 local and intermediate districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
BILINGUAL EDUCATION (Sec. 41) $4,000,000 (0.28%) Districts providing programs of instruction for pupils of limited English-speaking ability are eligible for state funding on the basis of the number of such pupils served.	State Share: The state appropriation for bilingual education is divided by the number of pupils of limited English-speaking ability for whom districts are providing approved programs. The state share in funding programs is the amount available per pupil times the number of pupils served. Local Share: Any costs not covered by grant. Extent of Participation: 70 local and intermediate districts.
ALTERNATIVE JUVENILE PROGRAMS (Sec. 48) $1,700,000 (0.12%) District, in cooperation with the county juvenile court, supervises a program for children and youth who have been found to need remedial academic and social rehabilitative services, and county board of commissioners of supervising school district agrees to fund the balance of the cost of the program.	State Share: Calculated amounts to the appropriation total. Reimbursement of $7,500 for the salary of each professional program person to an appropriation maximum of $1,700,000. Local Share: Remaining costs. Extent of Participation: 65 local and intermediate school districts.
ALTERNATIVE PROGRAMS FOR PREGNANT PERSONS (Sec. 93) $900,000 (0.06%) Application by district operating a Department of Education approved program.	State Share: Calculated amount to the appropriation total. 75 percent of teacher salaries not to exceed $8,100 for any one individual. Local Share: Remaining costs. Extent of Participation: 63 school districts.
PUPIL SUPPORT SERVICES	
TRANSPORTATION (Sec. 71) $93,300,000 (6.43%) Conformity with statutory classification requirements.	State Share: Calculated amounts to the appropriation total. 75 percent of cost of approved program. Local Share: Remaining costs. Extent of Participation: 623 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CURRENT AID PROGRAMS, N.E.C.	$1,600,000 (0.11%)	
COMMUNITY SCHOOL PROGRAMS (Sec. 96) District conducts a Department of Education approved community school program.		State Share: Calculated amount to the appropriation total. Reimbursement of up to $10,000 for the salary of each community school director. Local Share: Remaining costs. Extent of Participation: 300 districts.
CAPITAL SUPPORT PROGRAMS	$20,800,000 (1.43%)	
CAPITAL OUTLAY (Sec. 27) Application by local school districts operating a kindergarten through twelth grade program and paying debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting building and site fund requirements.		State Share: An amount determined by multiplying equalized mills by the membership and then multiplying the product by the amount by which $40,000 exceeds the state equalized valuation per membership pupil of the district. Local Share: Balance of costs. Extent of Participation: 379 local districts.
SCHOOL BOND LOAN FUNDS (Sec. 16, Article 9, Constitution of 1963) P.A. 202 of 1943 P.A. 269 of 1955 P.A. 108 of 1961 P.A. 112 of 1961 P.A. 35 of 1971 as amended P.A. 261 of 1975 P.A. 173 of 1975 P.A. 400 of 1976 P.A. 26 of 1977 The State in addition to any other borrowing power may borrow from time to time such amounts as shall be required, pledge its faith and credit and issue notes or bonds therefor, for the purpose of making loans to school districts as provided in this section. A school district may borrow from the State School Bond Loan Fund 90% each year of what it needs for principal and interest requirements on qualified bonds over what 7 mills will produce.	$10,000,000	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

When a borrowing district's debt requirement falls below what 7 mills will produce, the district must continue to levy 7 mills until it has completely repaid the State School Bond Loan Fund. A school district must levy not less than 12 mills for operating purposes to be eligible to borrow from the State School Bond Loan Fund.

Formal application to the Chief State School Officer, is made and bonds issued in accordance with program conditions some of which are as follows:

> Qualified bonds may be issued for a maximum period of 30 years but their minimum period depends upon the ratio of debt to State equalized valuation as follows: (a) 10 years if the ratio of debt to valuation does not exceed 4%; (b) 15 years if the ratio of debt valuation is over 4% but does not exceed 7%; (c) 25 years if the ratio of debt to valuation exceeds 7% and (d) 29 years if the ratio of debt to valuation exceeds 12%.

MINNESOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Gary Farland, Director, Statistics and Research Section, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 67 percent of the State-local revenue for elementary and secondary public schools were provided by the State.

2. Biennial appropriations covering the 1977-79 period were the principal source of State school aid. Permanent School Endowment Fund earnings are also available.

3. For 1978-79, the State paid $268.8 million to school districts for various property tax relief programs. These are reported in the program description.

4. The equalization aid program was in the fifth and final year of a phase-in period. This program guaranteed a uniform amount per adm, which equaled 85 percent of statewide average current expenditure per adm, excluding transportation.

5. The State contributed an estimated $104 million in 1977-78 towards the teacher retirement fund and Social Security. These contributions were not reported in the school aid program.

6. The following are new school aid programs funded since 1975-76:

   - Capital Expenditure Equalization Aid
   - Non-public Pupil Aid

LOCAL SUPPORT

1. These are 436 fiscally independent school districts in the State.

2. Local public revenues are derived almost exclusively from property taxes. The State requires the apportionment of some county taxes, which amounted to $6.9 million in 1978-79.

3. Local contributions to the basic equalization program amounted to $479,110,710 for 1978-79. Local leeway revenues were reported at $73,312,022.

4. School boards are allowed to levy more than the 28 mills foundation requirement only if they had previously been allowed to do so. Any additional levies require voter approval.

5. A district's debt limit is equal to 10 percent of the full value of taxable property.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $987,645,227 (100%)

BASIC SUPPORT PROGRAM

SCHOOL FOUNDATION AIDS Minn. Statutes 1978, Sec. 124.17, 124.212, 275.125 $649,000,000 (65.71%)

(Net Foundation Aid)	$634,000,000
(Permanent School Fund)	$ 15,000,000

A foundation program with foundation amount set at $1,095 per pupil unit in 1978-79 (includes permanent school fund revenue). District boards have authority to levy a basic maintenance levy of 28 mills times the adjusted assessed valuation for full program participation. If basic levy certified is less than 28 mills, foundation aid is reduced in same proportion. 41% of the districts also may levy fixed dollar amounts per pupil unit above the foundation amount, equal to the district's 1970-71 operating cost per pupil unit minus the 1970-71 state median. Also, districts may exceed the levy limit by vote referendum; this levy is non-equalized and has been passed by 55 of the districts.

PUPIL UNITS Four kinds of pupil units are summed and put into the formula. They are:

1. Weighted Average Daily Membership (92.33% of total pupil units) - ADM's weighted at .5 kng. (half day attendance), 1.0 grades (1.6), 1.4 grades (7-12).

2. Declining Enrollment Pupil Units (3.32% of total pupil units) - provided if district declined in WADM units from previous year. Equal to greater of (1) .6 times difference between previous year's WADM and current year's, or (2) difference between average WADM over last 3.25 years and current year's WADM. Provided to cushion rising costs per WADM by smaller classes, lower building utilization rate, higher average teacher seniority, etc.

3. Fast Growth Pupil Units (.11% of total pupil units) - provided to districts with WADM growth of at least 2% over previous year. Fast growth units are equal to the growth in WADM units over the previous year times one-tenth for each percent of increase, with a limit of five-tenths. Intended for extra costs of fast growth.

4. AFDC Pupil Units (4.24% of total pupil units) - All districts receive .5 pupil units for each AFDC student enrolled; in addition, districts with over 6% AFDC students receive an additional [illegible]-tenth pupil unit, per AFDC student, for each percent of enrollment, up to an additi[illegible] six-tenths pupil unit. This weighting is intended for educational overburden, although funds are not targeted.

Adjusted Assessed Valuation County-determined assessed valuation is adjusted at state level to make county assessor's market values in line with recent sales (for state aid purposes).

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Foundation Aid = (Total Pupil Units x $1,095) - (0.28 x Adjusted Assessed Valuation)

Local Share: In foundation program, districts must levy 28 mills of adjusted assessed valuation to participate fully.

Extent of Participation: 438 (all) with 807,985 pupils. Districts for which the 28 mill basic maintenance levy exceeds the pupil unit x $1,095 foundation guarantee have the basic levy limited to (pupils x $1095) plus special education, transportation, and vocational aids. Such districts thus absorb the cost of the state categoricals and cannot levy total permitted levy. 13 districts are estimated to come under these provisions in 1978-79.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS		
SPECIAL EDUCATION (M.S. 120.03, 120.17, 124.21, 124.32)	$78,140,000 (7.91%)	
Salary of Essential Personnel	State pays 69% of salaries, up to $12,000 per full-time staff person, or a pro-rata share for a part-time person. The state also pays 5% of salaries for support costs.	Local Share: Minimum of 31% of salaries and 95% of support costs. Extent of Participation: 440 districts
Supplies and Equipment	One half of the cost of special supplies and equipment, up to $50 per student.	
VOCATIONAL EDUCATION (M.S. 124.57, 124.573)	$16,200,000 (1.64%)	
Salaries of Essential Personnel	State pays 50% of salaries.	Local Share: All costs not covered by reimbursement.
Necessary Equipment and Teacher Travel	State pays 50% of expenditures.	Extent of Participation: 436 districts
PUPIL SUPPORT SERVICES		
TRANSPORTATION AID (M.S. 124.222, 124.223)	$78,310,000 (7.93%)	
	State pays cost, above one mill of local effort, limited to 127% of 1975-76 cost per pupil transported. In addition, costs of transportation of handicapped pupils in excess of 137% of 1975-76 are shared on an 80% state, 20% local basis. Depreciation aid is also paid at an annual rate of 12 1/2% of the initial cost of all LEA-owned buses less than 9 years old.	Local Share: 1 mill on adjusted assessed valuation plus all costs in excess of calculated amount. A local levy is permitted to finance transportation of pupils facing traffic hazards but residing less than a mile from their schools. Extent of Participation: 438 districts
SCHOOL LUNCH AID (M.S. 124.646)	$3,400,000 (0.34%)	
	State pays four cents for each full paid student lunch.	Extent of Participation: 438 districts
DISTRICT CHARACTERISTICS		
ATTACHED MACHINERY AID (M.S. 273.138, subd. 3)	$2,029,153 (0.21%)	
	Each school district imposing a levy receives a reimbursement for certain classes of real property, referred to as "Attached Machinery," which are exempt from taxation. The reimbursement is equal to the 1972 assessed (taxable) valuation of such property, times the 1972 payable 1973 total mill rate for the following levies: (1) debt service (2) teacher retirement funds in cities of the first class, and (3) excess maintenance cost. Attached Machinery Aid is deducted from the total maintenance levy.	Extent of Participation: Approximately 435 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
STATE PAID AGRICULTURAL TAX CREDIT (M.S. 273.132 M.S. 124.212, subd. 7b)	$35,161,900 (3.56%)	
Property Tax Relief	15 mills times the assessed (taxable) valuation of agricultural homestead property and 10 mills times the assessed valuation of agricultural non-homestead property.	Extent of Participation: Approximately 432 districts
HOMESTEAD CREDIT (M.S. 273.135)	$119,708,024 (12.12%)	
Property Tax Relief	45% reduction of taxes on homestead property, up to $325. Agricultural homesteads are allowed the reduction on a maximum of 160 acres of land contiguous to the homestead dwelling.	Extent of Participation: Homeowner in each of 400 districts.
CURRENT AID PROGRAMS, N.E.C.		
NONPUBLIC AID (M.S. 123.931 - 123.937) (M.S. 123.938)	$2,569,200 (0.26%)	
As amended to conform with the U.S. Supreme Court decision, Wolman V. Walter, and the U.S. District Court decision M.C.L.U. vs. Casmey	1978-79 appropriation provides for textbooks, standardized tests, and health services. Funding for secondary pupil guidance and counseling begins with the 1979-80 school year. Additional funding ($90,000) provides for other instructional materials for nonsectarian non-public schools with enrollment less than 200 pupils and which are not pre-schools.	Extent of Participation: 160 districts.
(M.S. 290.09 subd. 22)	Parents with children attending non-public elementary and secondary schools are allowed an income tax deduction of $500 for each student in grades K-6 and $700 for each student in grades 7-12.	
MISCELLANEOUS AIDS	$3,126,950 (0.32%)	Extent of Participation:
Capital Expenditure Equalization Aid	($300,000)	34 districts
Emergency Aid	($400,000)	none
Council on Quality Education	($1,427,000)	Approximately 50 districts
Educational Cooperative Service Units	($499,950)	438 districts
Extraordinary Tax Delinquency Aid	($200,000)	2 districts
Gross Earnings Taconite Aid	($300,000)	21 districts

MISSISSIPPI

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Smith Sparks, Assistant Director, Division of Administration and Finance, served as the State authority for preparation and review for this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 70 percent of the State-local revenues for elementary and secondary public schools.
2. State revenues for public schools are derived solely from annual appropriations.
3. A Homestead Exemption Fund partially reimburses school districts for amounts lost by the exemption provision.

LOCAL SUPPORT

1. There are 152 fiscally dependent school districts in the State.
2. There is no required minimum tax rate for school purpose. Districts must raise the amount necessary to meet the required local contribution to the Minimum Education Program fixed at $16 million for the entire State.
3. In addition to the district contribution to the basic support programs, some $128.7 million were raised in local school revenues in 1978-79.
4. The maximum board levy for schools is 25 mills. An additional 3 mills may be raised with voter approval.
5. A district may issue bonds for school purposes up to 15 percent of it's share of a county's assessed valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $372,521,611 (100.0%)

BASIC SUPPORT PROGRAMS

MINIMUM FOUNDATION PROGRAM FUND (Ch. 37-19, Education Code Established in 1953) $311,544,700 (83.63%)

Scheduled amount per staffed teacher unit

Teacher Preparation	Experience Beginning amount	Maximum amount	Yrs. to reach maximum
BA or BS	$ 8,500	$10,500	10
MA or MS	9,200	11,900	12
MA or MS + 30 sem. hrs.	9,900	13,400	14

Average salary per Teacher Unit estimated at $11,150.

No person holding a certificate of less than "A" classification (BA or BS degree) shall be eligible to teach in the public school of the State unless special permission is obtained annually from the State Board of Education.

Teacher Units:
Regular teacher . . . . 1 unit per each 24 pupils in ADA in Grades 1-3.
1 unit per each 27 pupils in ADA in Grades 4-12.

Special Education ($27,875,000)

The estimated amount earmarked for special education teacher salaries is the product of the number of special education teacher units funded, 2,500, and the average teacher salary.

Vocational Education ($11,462,200)

1,028 Teacher units funded @ $11,150.

Local Administration $150 per teacher unit.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Calculated amount minus required local share. However, in no case shall the State portion be less than 40 percent of the total cost of the program.

Local Share: Ad valorem tax determined by an index of financial ability applied to the statewide total amount to be derived from this source ($16,000,000). Index is the sum of:

.242152 x	County's percent of the assessed valuation of public untilities in the State.
.044144 x	County's percent of State total of motor vehicle license receipts (sold by sheriffs).
.065110 x	County's percent State total value of farm products.
.142688 x	County's percent of State total personal income taxes paid in the State.
.222936 x	County's percent of State total gainfully employed nonfarm, non-Government workers.
.282970 x	County's percent of the retail sales tax paid in the State.

50 percent of severance tax receipts returned to the county are included as a district requirement towards the foundation program.

Extent of participation: All 152 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
District administration $15,000 per District plus $50 per teacher unit after the first $50 with a total maximum of $25,000.	
Pupil Transportation ($28,951,513) An allowance based on average per pupil cost of transportation in districts of comparable density.	
Retirement and Social Security contributions ($35,665,538) Amount of employer's payment for social security and State retirement except at each district must put up 1.5% of State retirement.	
Supportive Services (Professional salaries, supplies, school improvement and maintenance) ($42,470,000) $2,000 per teacher unit.	
COMMON SCHOOL FUND (Sec. 6219, Code of 1942. First established in 1890) $ 5,000,000 (1.34%) Proportion of school census children, 6-20 years of age, inclusive, in the district.	State Share: The fund provides about $7 per census child. Local Share: None. Extent of Participation: 152 school districts.
HOMESTEAD EXEMPTION FUND (Ch. 261, Laws of 1946) $ 11,128,000 (2.99%) Nonrestricted use of schools . . . Local tax rate multiplied by value of homestead exemptions.	State Share: Calculated amount limited to maximum tax rates of 15 mills for municipally separate school districts and 20 mills for county districts. Local Share: No local share, but current local school tax rate determines the State amount. Extent of Participation: 152 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education . . . . See Basic Support Program	
LEARNING RESOURCE SYSTEM (Ch. 374, 1974) $ 1,341,024 (0.36%) Provides diagnostic services for existing and potential learning problems on a State-wide basis.	State Share: 100%. Five regional resource team specialists in psychology, speech and hearing, special education and social work provide diagnostic, screening and prescriptive services. Extent of Participation: 152 school districts.
Vocational Education . . . . See Basic Support Program.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
VOCATIONAL EDUCATION FUND $ 28,318,306 (7.60%) Sec. 6487, Code of 1942 Amount of teachers' salaries determined in relation to district land area, enrollment and teacher training and experience.	State Share: Up to 50 percent of calculated amount. Federal funds for vocational education are provided in addition to the State amount shown. Local Share: All cost not covered by reimbursement. Extent of Participation: 152 school districts.
DRIVER TRAINING PENALTY ASSESSMENT $ 820,000 (0.22%) (6232-71 through 6232-80, Ed. Code) Current expenses of driver training program, grades 9-12.	State Share: Maximum $30 per pupil completing course. Local Share: Difference in cost of driver education program and State allotment. Extent of Participation: 295 public schools.
EOA IIB - ADULT BASIC EDUCATION $ 79,170 (0.02%) (P.L. 89-750, Title III) Provides an elementary level education for illiterate and undereducated adults age 16 and over.	State Share: 5% of total cost. Local Share: 5% of total cost.
PUPIL SUPPORT SERVICES	
Transportation . . . . See Basic Support Program	
STATE TEXTBOOK FUND (Ch. 202, Laws of 1940) $ 4,125,000 (1.11%) Books must be distributed and loaned free of cost to children in the public schools and to all other schools which maintain educational standards equivalent to those prescribed for the public schools.	State Share: Based on the proportion of ADA for grades 1-12 in the district in public schools and in other schools. Local Share: None. Extent of Participation: 152 school districts.
SCHOOL LUNCH FUND (HB 258, Reg. Session 1971) $ 1,103,220 (0.30%)	State Share: 4 percent matching required as provided under National School Lunch Act Disbursed on basis of ADA. Local Share: Cost of school lunches. Extent of Participation: All districts.
EMPLOYEE BENEFITS	
See Basic Support Program	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DISTRICT CHARACTERISTICS	
CHICKASAW SCHOOL FUND (Secs. 211 and 212, Art. 8, Constitution. First established in 1890). $ 62,191 (0.02%)	
Current expense, grades 1-12. Amount differs by school district, but each district receives the same amount each year. Payment for nonreceipt of 16th section land for the support of public schools in counties in the Chickasaw Area. These lands were sold and the proceeds were placed in a trust fund. The payments are the interest from this trust fund.	State Share: 100 percent of specified amount. Local Share: None. Extent of Participation: 45 counties.
CAPITAL SUPPORT PROGRAMS	
STATE PUBLIC SCHOOL BUILDING FUND, (Ch. 13, Senate Bill 1204, Laws of 1953. Established in 1953). $ 9,000,000 (2.42%)	
Capital outlay and debt service. District organization, location of school attendance centers, plans and specifications of proposed and existing facilities, desirable consolidation, and method of financing must be approved by the State Educational Finance Commission.	State Share: Eighteen dollars per child in ADA. An advance of up to 75 percent of the estimated amount that will accrue within 20 years from the date of the advance is authorized. Local Share: None Extent of Participation: 152 school districts.

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PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

John W. Alberty, Director, School Finance, served as the State authority for preparation and review of this report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 39 percent of the State-local receipts for elementary and secondary public schools.
2. State appropriations for public schools are made annually. Earmarked taxes on cigarettes are also available and were estimated at $57 million for 1978-79. A Foreign and Domestic Insurance tax produced $16 million in revenues for free textbooks.
3. The uniform dollar guarantee in the equalization program provided 75 percent of the State average current cost per eligible pupil in the second preceding year.
4. A new basic support formula became effective during the 1977-78 school year. A principal new feature of this program is that a district income factor is used as an indicator of district wealth. Also, a guaranteed tax base was introduced which raised State aid entitlements for most districts.

LOCAL SUPPORT

1. There are 556 fiscally independent school districts in the State.
2. Property taxes are the sole source of local revenues for public schools. In addition, State law requires the apportionments of the following county revenues:
   - fines, forfeitures, escheats - $7.8 million for 1978-79 (est.)
   - railroad and utilities taxes (revenues based upon average tax rates of school districts within a county applied to the State assessed values and collected by the county) $80.0 million (est.) for 1978-79.
3. Local school districts contributed an estimated $342.0 million to the basic equalization program. Local leeway tax revenues were estimated at an additional $202.6 million.
4. A majority voter approval is required for any local operational levy between the 12.5 mill minimum and 37.5 mills. A two thirds majority vote is required to increase the levy above 37.5 mills. These levies remain in effect until changed by vote. There is no maximum rate or levy limit.
5. A district's debt limit is equal to 10 percent of its assessed valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $569,281,862 (100.0%)

BASIC SUPPORT PROGRAM

STATE SCHOOL MONEYS FUND
(Section 163.031 RSMo)

Basic Grant Program $434,816,880 (76.38%)

Pupil Count

Participation is based upon resident pupils. The amount of aid for each district is determined by multiplying the number of eligible pupils (50 percent membership, 50 percent ADA) in grades K-12 by 75 percent of the average current cost per pupil for the second preceding year.

AFDC

AFDC add-on weight equals .25 for each pupil and orphan enrolled in the school district.

Guaranteed Tax Base Add-on ($21,337,20[illegible])

The guaranteed tax base is $29,532, the assessed valuation per eligible pupil of the school district which contained the 86th percentile of eligible pupils of the State. The percentile increases one level per year until the 90th percentile is reached (i.e., 1977-78 - 86th; 1978-79 - 87th; 1979-80 - 88th, et cetera).

Minimum District Guarantee

The calculation of the guaranteed tax base is added to the entitlement through the minimum guarantee. However, no district may receive an increase which is greater than 25 percent of the difference between the amount per eligible pupil received the previous year and the entitlement per eligible pupil.

At least 75 percent of the basic grant must be spent for teachers' salaries during the year in which it is received.

State Aid Calculation

1. Number of eligible pupils x (75% of State expenditure factor) $________
2. (ADC + Orphans) x .25 (75% of State expenditure factor) $________
3. Total Minimum Guarantee (lines 1 and 2) $________

Deductions

4. Equalized A V ÷ 100 x (57% of pupil weighted levy x district income factor) $________
5. Fines, forefeitures, escheats (57% of the amount received the previous year for school purposes) $__________
6. Intangible taxes (57% of the amount received the previous year for school purposes) $__________
7. Total Deductions (lines 4, 5, 6) $__________
8. Basic Entitlement (lines 3 minus line 7) $__________

Guaranteed Tax Base Add-on (GTB)

9. (GTB minus district equalized A/V per eligible pupil) ÷ 100 x number of eligible pupils x (district equalizing operating levy minus 57% of the pupil weighted levy modified by district income factor) $__________
10. District entitlement (line 8 + line 9) $__________
11. Apply hold harmless or maximum increase clause to line 10. $__________

Local share: Yield of a levy (57 percent of the pupil-weighted levy of the second prior year), as modified by an income factor, for each $100 of equalized assessed valuation of the property within the district, plus 57 percent of receipts for operational purposes from intangible taxes, and fines and forfeitures.

The district income factor is determined by taking one half of the sum of 1 and the ratio of the district adjusted gross income per return for the second preceding year to the statewide adjusted gross income per return for the second preceding year.

Extent of Participation: 556 districts, which include one special district and three Federal lands, received apportionments during 1978-79. 32 districts received aid under the hold harmless provision.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
EXCEPTIONAL PUPIL AID $46,306,872 (8.14%) (Section 162.975, 162.980 and 162.990, RSMo) Allocation is based upon approved special education classes. Allowable class sizes include: Orthopedically handicapped - 10 to 12 children; Deaf - 6 to 9 children; Hard-of-hearing - 6 to 12 children; Speech correction - 80 to 125 children; Learning disabilities - 6 to 9 children; Mentally retarded - 10 to 20 children; and emotionally disturbed and/or socially maladjusted - 10 to 20 children. Funds are allocated on the basis of current enrollments. Initial apportionments are adjusted as final memberships for the year are determined.	State share: State support for exceptional pupils is provided on the basis of $6,000 for each approved handicapped class; $4,500 per class of educable mentally retarded; $300 for each home bound pupil; and $3,500 per approved remedial reading class; $4,000 per professional staff member (excluding special education classroom teachers); $6,000 per approved physically exceptional class; and $2,000 per teacher's aide. Rates for handicapped classes, EMR classes, and rememial reading classes are adjusted each year by the same percent that the appropriation for the school foundation program is changed. Extent of Participation: An estimated 536 school districts will receive exceptional pupil aid.
VOCATIONAL EDUCATION $17,616,585 (3.09%) (Section 178.530, RSMo) Districts are reimbursed for a portion of the costs of operating approved vocational programs.	State share: Apportioned on the basis of prescribed reimbursements in accordance with state and federal participation agreement. Local share: Cost of programs over and above state and federal funds received. Extent of Participation: An estimated 410 school districts will participate in approved vocational programs.
PUPIL SUPPORT SERVICES	
PUPIL TRANSPORTATION AID $45,745,961 (8.04%) (Section 163.161, RSMo) School districts may receive state aid for pupils who live one mile or more from school and who are transported to and from school. Equipment and routes must be approved.	State share: Districts receive 80 percent of allowable costs, except that allowable costs per pupil transported cannot exceed 125 percent of the state average of such costs per pupil during the second preceding year. Special provision is made for approval of extra costs of transporting handicapped children. However, the total allocation may not exceed 80 percent of allowable costs. Local share: Districts must provide a minimum of 20 percent of the cost for transporting its pupils. Extent of Participation: An estimated 550 school districts will receive pupil transportation aid.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

FREE TEXTBOOK FUND (Estimated) $18,300,00 (3.22%)
(Section 170.051, RSMo)

These are earmarked funds appropriated to and disbursed by the Office of Administration. Department of Elementary and Secondary Education collects enumeration data and certifies apportionment amounts for payment. The amount of payment is based upon the number of children 6 to 20 years of age resident in a choool district.

Money must be used for textbooks or other text materials, library books, instructional films, educational television, reference materials, and teaching supplies for grades kindergarten through 12. Textbooks for elementary pupils have highest priority.

State share: The total school-age pupil enumeration for the state is divided into the amount of money available to determine the amount per enumerated pupil. This amount is then multiplied by the number of enumerated pupils in each district.

Local share: The remaining cost of providing free text materials for pupils in grades kindergarten through 12.

Extent of Participation: 556 districts.

SCHOOL FOOD SERVICES $4,095,564 (0.72%)

For matching federal requirements of the National School Lunch Act.

State share: One hundred (100) percent of the matching requirement.

Local share: Difference between the program and federal and state reimbursement.

Extent of Participation: An estimated 2,600 schools will participate in this program.

CAPITAL SUPPORT PROGRAMS

REORGANIZATION BUILDING AID $300,000 (0.05%)
(Section 163.121, RSMo)

School construction needs in reorganized districts are determined and state funds are made available when plans to meet the needs are approved by the State Board of Education.

State share: Funds not to exceed $100 per pupil enrolled or $50,000 is allowed. However, State funds cannot exceed one-half of the cost of the construction project.

Local share: Cost in addition to state allocation.

Extent of Participation: An estimated six districts will qualify for apportionments.

CENTRAL BUILDING AID -0- -0-
(Section 163.111, RSMo)

One-fourth of the cost, up to $2,000, is allowed toward the construction cost of an approved central high school building. The amount allowed is apportioned when the new building has been constructed according to approved plans.

State share: Maximum of $2,000 per approved project.

Local share: Remaining cost for construction.

Extent of Participation: None

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
AREA VOCATIONAL SCHOOL CONSTRUCTION $2,100,000 (0.37%) (Section 178.530, RSMo)	
Upon application by school districts, the State Board of Education designates those authorized to establish area vocational schools and to construct necessary facilities. Plans for building construction must be approved, and construction work must meet applicable standards for fund allocation.	State share: Fifty (50) percent of construction costs. Local share: Fifty (50) percent of construction costs.

MONTANA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Stephen R. Colberg, Statistical Consultant, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 61 percent of the State and local revenues for elementary and secondary public schools. This amount includes statewide levies of 25 mills for elementary school districts and 15 mills for high school districts.

2. Legislative appropriations are made annually and include appropriations of Federal revenue sharing funds. In addition, the following State revenues are earmarked for public school support:

   25% of income taxes
   25% of corporation license taxes
   10% of severance taxes on coal
   50% of State share of Federal oil and gas royalties

   Other state funds available are interest and income from the public school fund and income from the local input and education trust fund account.

LOCAL SUPPORT

1. There are 563 fiscally independent school districts in the State.

2. District revenues are derived from property taxes levied in addition to the statewide levies. District levies above 9 mills for elementary districts and 6 mills for high school districts require annual voter approval.

3. County levies are required for elementary transportation costs and any county high school tuition obligations.

4. There is no district levy requirement for participation in the basic support program beyond the levy collected as a state tax. Local leeway taxes were reported at $114.3 million and include the county obligations.

5. A district's debt limit for capital obligations is 29 percent of its taxable valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $167,566,000 (100%)

BASIC SUPPORT PROGRAMS

FOUNDATION PROGRAM $145,700,000 (86.95%)
(20-9-315, Montana Codes Annotated; Woodahl v. Straub 164 M 141, 520 P 2d 776; Secs. 2, 3 and 5 of Article X, 1972 Montana Constitution)

Current expense, grades 1-12	Based on average number of pupils belonging (ANB). Figures listed are maximum budget amounts without a vote of the electorate. The foundation program is defined to be 80 percent of these figures.
Elementary school (ANB)	
1-9	$12,002
10-25 (1 teacher)	$12,002 for the first 9 pupils, plus
(No credit for more than 25)	$501.60 for each added pupil.
18-50 (2 teachers)	$26,370 for the first 18 pupils, plus.
(No credit for more than 50)	$314.10 for each added pupil.
41-100 (3 or more teachers)	$1,165 per pupil decreased by $1.13 for each pupil above 41.
101-300	$1,097 per pupil decreased by $1.03 for each pupil above 101.
301 or more	$890.60 per pupil.
High School (ANB)	
24 or less	$68,373
25-40	$2,849 per pupil decreased by $15.54 for each pupil above 25.
41-100	$2,600 per pupil decreased by $15.54 for each pupil above 41.
101-200	$1,668 per pupil decreased by $2.60 for each pupil above 101.
201-300	$1,408 per pupil decreased by $1.43 for each pupil above 201.
301-600	$1,265 per pupil decreased by $.26 for each pupil above 301.
601 or more	$1,186 per pupil.
Middle School	Seventh and eighth grade pupils are counted with high school pupils.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Foundation program minus local share. Revenues are available from the following sources:
1) Basic statewide levies of 25-mills for elementary school districts and 15-mills for high schools (Secs. 20-9-335 also Woodhal v. Straub.)
2) Earmarked revenues from 25% of income taxes, 25% of corporation license taxes, 10% of severance tax on coal, 50% of State's share of Federal oil and gas royalties, interest and income from the public school fund, income from the local impact and education trust fund account, and surplus from (1) above. (Sec. 20-9-343.)
3) Legislative appropriations from State general fund revenues (Sec. 20-9-343.)
4) An additional State levy for State deficiency sufficient to complete the funding of the foundation programs of all districts of the State. (Sec. 20-9-351).

Local share: County revenues from the Federal government for school purposes, resulting from payments to the county in lieu of property taxation. (Forest Reserve funds and Taylor Grazing Act) and fines paid to the county for which no other use is specified, less the county elementary transportation obligation and the county high school tuition obligation.
(Secs. 20-9-331 and 20-9-334.)
An additional district levy on elementary districts not approved as isolated and having an ANB of nine or fewer pupils. (Sec. 20-9-303.)

Extent of participation: A total of 398 elementary districts and 165 high school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
Special Education for Exceptional Children ($26,000,000) (Sec. 20-7-431.) Allowable costs including all direct costs and prescribed indirect costs increase the maximum budget amount without a vote of the electorate.	State share: All allowable costs. Same funding source as Foundation Program. Local share: Retirement and certain other indirect costs beginning in 1980-81.
Vocational Education Aid ($ 750,000) (Secs. 20-7-301 thru 20-7-303.)	State share: Variable depending on total course offering. Federal funds for vocational education, in addition to the State amount listed, are also provided for this program. Local share: Expenses not covered by reimbursement. Extent of participation: Estimated 112 high school districts.
PERMISSIVE AMOUNT $16,100,000 (9.61%) (Secs. 20-9-352.) Current expense, grades 1-12 — Up to 25% above the foundation program according to district budget needs. The maximum general fund budget specified by statute is the maximum sum of the foundation program plus the permissive amount.	State share: Permissive amount minus local share. Revenues are provided by a statewide levy needed to fund the permissive amount, surplus earmarked revenues above the foundation program funding for the previous fiscal year, and legislative appropriations of Federal revenue sharing funds. Local share: The district obligation is the revenue that would be raised by a 9-mill levy in an elementary district or by a 6-mill levy in a high school district, except that the obligation is reduced proportionally when the permissive amount is less than 25% of the foundation program. (Power--equalized without recapture.) The actual levy may be reduced when Federal impact aid and other revenues are available to the district. Extent of participation: 99% of districts participate.
PUPIL TARGETED INSTRUCTIONAL PROGRAM	
Special Education — See Basic Support Program	
Vocational Education	
SPECIAL EDUCATION AID — No direct payments to districts. ($685,000 (0.41%) Audiological Services	State share: Full amount of legislative appropriation. Local share: None. Extent of participation: All school-aged children are beneficiaries through direct special education services.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DRIVER EDUCATION AID (Secs. 20-7-501 thru 20-7-507.) $ 890,000 (0.53%) Amount per pupil completing the program is determined each year on the basis of student completions and State revenue collections.	State share: All revenues available; revenues include 20% of all fines and bail forfeiture related to traffic violations, and 5% of all motor vehicle driver's license fees. Local share: Expenses not covered by reimbursement. Extent of participation: Estimated 158 school districts and 13,500 pupils.
PUPIL SUPPORT SERVICES	
TRANSPORTATION AID (Title 20, Chapter 10m MCA.) $3,600,000 (2.15%) Individual transportation schedules provide reimbursement at the rate of $.36 per mile for the one-way distance from home to school less 3 miles or for the one-way distance from home to bus stop less 1 1/2 miles. Under special circumstances of isolation this individual schedule may be increased to $.54 per mile or a room and board per diem of $4.00 may be paid. Bus transportation schedules provide reimbursement at the rate of $.50 per mile for a rated capacity up to 50 children and an additional $.02 per mile for each child in excess of 50. Actual costs are reimbursed for supervised correspondence study or supervised home study. Children must live at least 3 miles from school. Individual transportation contracts with parents or guardians of eligible transportees are provided by school districts when bus service cannot be provided.	State share: 1/3 of statutory schedule for all transportation except special education; 2/3 of special education transportation expense. Revenue provided by direct legislative appropriation. Local share: County pays 1/3 of schedule for elementary and for special education transportation, and 2/3 of schedule for high school transportation. Elementary districts pay the remaining 1/3 of schedule. The district share of the schedule and any excess costs above the statutory schedule amount are financed by a district transportation levy. The county share of high school transportation is financed by a county transportation levy, but the county share of elementary transportation is paid from the same revenues used for county support of the foundation program. Extent of participation: An estimated 630 operating and non-operating districts will participate, providing transportation for over one-third of all the pupils enrolled. Participation will involve an estimated 2700 individual transportation contracts and 1200 buses.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
SCHOOL LUNCH AID — $530,000 (0.32%) (Title 20, Chapter 10, MCA.) The State reimbursement for each district is a percentage, determined annually, of Federal reimbursements for the previous year.	State share: 27.5% of Federal general assistance reimbursements of the previous year. (The percentage is calculated annually in accord with Federal regulations.) Revenues are from legislative appropriations. Local share: All costs above State and Federal reimbursements. General operating funds may be budgeted to support the food services programs but no special levies are provided. Extent of participation: 259 programs in 653 schools.
DISTRICT CHARACTERISTICS	
STATE IMPACT AID — $11,000 (0.01%) (Sec. 20-9-304.) Assistance to school districts for educating children of State employees residing on property of State institutions: Elementary — $150 per pupil High School — $250 per pupil	State share: 100 percent of calculated amount. Local share: None. Extent of participation: 12 school districts.
CURRENT AID PROGRAMS, N.E.C.	
CONSOLIDATION INCENTIVE AID — $50,000 (0.03%) (Secs. 20-6-401 thru 20-6-408.) General Bonus — $100 per pupil per year for 3 years for eligible pupils. Transportation Bonus — Double on-schedule cost reimbursement (2/3 rather than 1/3) for eligible pupils.	State share: 100 percent of calculated amount. Local share: None. Extent of participation: An estimated 10 districts.

NEBRASKA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Larry Vontz, Administrator, Financial Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 18 percent of the State-local revenues for elementary and secondary public schools.

2. State public school aid is derived mainly from annual appropriations. Income from the original land-grant set asides are also made available. A State tax on insurance premiums provides some school aid.

3. Local government agencies are reimbursed for the State's homestead exemption program and for a new personal property tax relief measure. These intergovernmental transfers were estimated at $35 million.

4. A flat grant program, which is designated as Foundation aid, provided an estimated 4 percent of the statewide average expenditure per pupil in 1978-79. Though some equalization aid is provided, there is no guaranteed amount of such aid. It is a residual amount provided after the flat grants and incentive aids are paid. State funding amounted to 100% percent of the authorized level.

5. A law (LB 131) passed in 1977 specified that the counties in Nebraska were to reassess all property by January 1978. However, in an opinion of the State Attorney General, the penalty provisions for failing to comply were viewed as unconstitutional. As a result, this legislation has not been enforced.

LOCAL SUPPORT

1. There are 1,090 fiscally independent school districts in the State.

2. Property taxes are the sole source of district revenues for school purposes. Counties are required to apportion to school districts the proceeds of fines and licenses. The amount, statewide, is estimated at $4.8 million for the 1978-79 school year.

3. An estimated $365.0 million were raised as local revenues for public schools.

4. Required local contributions to the equalization portion of the basic aid program in mills, varies according to the following district classifications:

   Class I districts are elementary (K-6) or (K-8): 8 mills
   Class II districts are K-12 districts with a total population less than 1,000: 12 mills
   Class III districts are K-12 districts with a total population between 1,000 and 49,999: 12 mills
   Class IV districts are K-12 districts with a population between 50,000 and 200,000, (Lincoln only): 12 mills
   Class V districts have a population in excess of 200,000 (Omaha): 12 mills
   Class VI districts are organized for secondary education only: 5 mills

5. There is no maximum levy limit. Voters must approve levies in Class I and II districts by 55 percent, annually. For Class III to VI districts, there is no voter approval. School budgets are presented at a public hearing.

6. The district debt limit for Class I & II school districts is 40 percent of assessed valuation or 14 percent of actual valuation. There is no limit for Class III, IV, V, or VI districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL	$95,134,366 (100.0%)	
BASIC SUPPORT PROGRAMS		
SCHOOL FOUNDATION AND EQUALIZATION FUND (LB 448, July 1967; Sec. 79-1330 through 79-1344 RS Supp., 1973 Nebraska as amended) (LB 984 - July 1975; Sec. 79-4160 through 79-4169)	$55,000,000 (57.81%)	
Foundation Aid	($11,929,418)	
The following amounts are provided for each average daily member (ADM) of the prior year: $17.50 Kindergarten pupils $35.00 Grades 1-6 $42.00 Grades 7-8 $49.00 Grades 9-12		State Share: 100 percent of calculated amount. Local Share: None Extent of Participation: Estimated 1,090 Class I through VI districts. (See Description of Local Support, Nebraska for definitions of Class Districts.)
Additional payments for prior year ADM	($9,572,180)	
This amount equalled $31.72 per ADM		
Incentive Portion	(Est. $3,545,752)	State Share: 100 percent of calculated amount. Extent of Participation: 830 Districts.

	(Degree or years of college)	Amount
(a) Aid to school districts based on degree status of teachers.	Doctorate	$350
	Master's or equivalent or 6-year college program	$250
	Bachelor's	$150
(b) Summer School Program	$.20 per student hour for each student participating in a summer school program. The maximum amount guaranteed is $18 per eligible pupil.	

Equalization Portion	($27,729,097)	
	The equalization portion is a residual amount which is payable to eligible school districts after foundation aids and incentive portions have been paid. Eligible districts are those in which the qualifying levies do not yeild the following guaranteed amounts per pupil: $225 Kindergarten $450 Grades 1-6 $500 Grades 7-8 $550 Grades 9-12 Guaranteed amounts are for prior year ADM.	State Share: 100 percent of calculated amount minus (1) funds distributed to districts under the foundation portion of this fund, (2) the district qualifying levy, (3) tuition, (4) fines, (5) license fees, (6) transportation reimbursements, (7) the Insurance Tax Fund. Local Share: A required tax on the valuation of all taxable property within the district for the preceding year, (except intangible property) as follows: (1) For Class I districts, not less than eight mills; (2) for Class II, III, IV, and V districts, not less than twleve mills; and (3) for Class VI districts, not less than five mills. Equalization funds distributed as a pro-rata amount left after foundation aid and incentive aid are paid in full. Extent of Participation: 197 Districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Districts eligible for equalization aid are also eligible for the following aids:	
Sparsity Adjustment (\$16,375) When the population density in any county is less than four persons per square mile, as determined from the most recent Federal decennial census, the total financial support under sub-division (1) *of this section insured for each district in the county shall be increased by the following percentages: (a) if the population density is three or more but less than four persons per square mile, 10 percent (b) if the density is two or more but less than three persons per square mile, 20 percent; (c) if the density is one or more but less than two persons per square mile, 30 percent; and (d) if the density is less than one person per square mile, 40 percent; Provided, any school district within a qualifying county showing a density greater than provided in this sub-division shall not qualify for such percentage increases.	Extent of Participation: 15 districts.
Enrollment Increase (\$313,354) When the membership of a district counted on the last Friday in September increases one-half of one percent (.005) or more above the membership of the preceding year on the corresponding date the above financial support of this section *shall be increased by the percent of increase in student membership.	Extent of Participation: 57 districts.
Gifted (\$412,219) Culturally deprived children (\$744,518) A district which provides special program meeting criteria established by the State Board of Education for (1) Gifted children, or (2) Culturally and educationally deprived children, shall be entitled to count each pupil regularly enrolled in such programs during the preceding year as one and one-fourth and two students respectively.	Extent of Participation: Gifted: 11,968 @\$34.44 per pupil in 23 districts. Deprived: 4,938 students in 36 districts at \$150.77 per student.

*Refers to support guaranteed by the equalization portion of the School Foundation and Equalization Fund

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
Transportation calculation	($737,087)	
	Each student eligible to be transported by bus according to the provisions of Section 79-490, Reissue Revised Statutes of Nebraska, 1943, shall be counted as one and one-fourth students. Transported pupils must live within the district attended and more than 4 miles from schoolhouse.	Extent of Participation: 148 districts.
TEMPORARY SCHOOL FUND -- CENSUS VARIABLE PORTION (Revised Statutes of Nebraska, Secs. 79-3101 to 79-3108, established in 1881)	$7,892,812 (8.30%)	
Current expense, grades K-12	This distribution is for 3/4 of the balance of the Temporary School Fund after the in-lieu-of tax portion has been deducted. Distributed in proportion to the number of children, 5-18 years of age, resident in the district. (See Section on District Characteristics for a description of the in-lieu-of tax portion of this fund.) The revenues for this fund are provided by the income derived from the original land grant set-aside for school support. For 1978-79, the estimated census count was 369,860 and the distribution amounted to $21.34 per census child.	State Share: 100 percent of calculated amount. Local Share: None Extent of Participation: Estimated 1,090 school districts.
INSURANCE PREMIUM TAX FUND (Current expense, grades K-12). (Revised Statutes of Nebraska, Secs. 77-908 to 77-914, established in 1951)	$9,211,387 (9.68%)	
	Amount indicated is 60 percent of half of State revenue from this tax. Distributed to counties in proportion to county population and redistributed within counties in proportion to district ADA.	State Share: 100 percent of calculated amount. Local Share: None Extent of Participation: Estimated 1,090 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SPECIAL EDUCATION FUND (Revised Statutes of Nebraska, Secs. 43-601 to 43-611 and Secs. 79-1409 to 79-1414, established in 1949) (LB 403 1974) $13,864,528 (14.57%) Three levels of service programs are provided: (a) Level I programs are for special education services that do not exceed three hours per week. Speech programs and aural rehabilitation programs are examples of Level I services. (b) Level II program requires more than three hours of special education services per week outside the regular classroom. Examples of programs provided are for mentally retarded, orthopedically handicapped, visually or acoustically handicapped. (c) Level III programs are for those special education services not provided by a school district. Services may be contracted or provided by a group of districts.	State Share: 90% of the allowable excess cost per pupil of providing necessary special instruction above the per pupil cost for other children. Local Share: $28,073,742 and $2,995,385 for Special Education Transportation. Extent of Participation: Approximately 750 school districts and an estimated 26,000 pupils.
SPECIAL EDUCATION TRANSPORTATION $1,615,600 (1.70%)	
Gifted Program See Basic Support Program	
VOCATIONAL EDUCATION FUND (Revised Statutes of Nebraska, Secs. 79-1419 to 79-1435, established in 1919) $ 622,728 (0.65%) Amount expended for salaries of vocational education teachers.	State Share: Percent of amount expended as funds allow. Federal funds for this program are added to the State amount indicated in making this distribution. Local Share: All costs not covered by reimbursement. Extent of Participation: 216 school districts.
DRIVER EDUCATION FUND (Revised Statutes of Nebraska, Secs. 60-409.01 to 60-409.04, established in 1963) $1,223,647 (1.29%) Cost of instructional service, including insurance, salaries of teachers, gasoline and oil for operation, maintenance of automobiles, etc.	State Share Not to exceed $40 for each pupil. Local Share: All costs not covered by the reimbursement. Extent of Participation: 314 school districts.
Educationally deprived See Basic Support Program	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
WARDS OF THE COURT (Revised Statutes of Nebraska, Secs. 79-445)	$ 929,167 (0.98%)	
	Reimburse school districts for the cost of educating those children designated as Wards of the Court and who are attending school in districts other than their original places of residence.	State Share: The per pupil cost of the school district for the preceding school year. Local Share: All costs not covered by reimbursement. Extent of Participation: 120 school districts and an estimated 600 students.
PUPIL SUPPORT SERVICES		
Transportation	See Basic Support Program	
SCHOOL LUNCH FUND	$ 884,932 (0.93%)	
	Partial reimbursement for school lunches.	State Share: The State calculates the matching amount required to receive Federal aid and distributes the amount to school districts based on the number of lunches served. Local Share: Balance of costs: $1,327,864. Extent of Participation: 490 districts and an estimated 170,000 pupils.
DISTRICT CHARACTERISTICS		
Sparsity Program	See Basic Support Program	
TEMPORARY SCHOOL FUND - IN-LIEU-OF SCHOOL LAND TAX PORTION (Revised Statutes of Nebraska, Secs. 79-1301 to 79-1308, established in 1881	$ 3,889,565 (4.09%)	State Share: 100 percent of calculated amount. Local Share: None, but payment is based on tax rate in effect.
Current expense, grades K-12	Local school tax rate multiplied by value of school endowment land in the district assessed at 50 percent of appraised value. Rate includes levies for special funds such as local land fund and county high school tuition fund. These funds are distributed to school districts containing school endowment land.	Extent of Participation: 1,059 school districts.

NEVADA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Douglas A. Sever, Director, Fiscal Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provides approximately 40 percent of the State-local revenues for public schools.
2. State funds for public schools were provided through biennial appropriations covering the 1977-79 period.
3. The State rebates 1 cent of its sales tax to school districts which is counted as a local contribution to the basic support program.
4. The State basic program guaranteed an estimated 79 percent of the statewide average expenditure per weighted pupil for 1978-79.

LOCAL SUPPORT

1. The State has 17 fiscally independent school districts.
2. A 7 mill county tax is required for school purposes, and counties may levy up to 8 mills at local option for the support of schools in addition to debt service.
3. The school districts contributed an estimated $87.1 million to the basic support program. An additional $46.6 million were raised as local leeway taxes for 1978-79.
4. A maximum school board levy of $1.50 per $100 assessed value is in effect. This rate limit is not subject to voter override.
5. District debt is limited to 15 percent of the local assessed valuation of its taxable property.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $88,895,000 (100.0%)

BASIC SUPPORT PROGRAM

DISTRIBUTIVE SCHOOL FUND $88,895,000 (100.0%)
(Sec. 387.030 Nevada School Code as amended in 1977)

Nonrestricted, grades K-12 . . . .

Determine district enrollment at end of 1st school month:

(a) Kindergarten pupils (.6)
(b) Elementary and secondary pupils (1.0)
(c) Handicapped pupils (1.0)

Multiply total district enrollment by the following basic support guarantee per pupil established for each of the several school districts:

Carson City	$1,119	Lander	$1,188
Churchill	$1,120	Lincoln	1,592
Clark	1,116	Lyon	1,188
Douglas	1,115	Mineral	1,141
Elko	1,207	Nye	1,506
Esmeralda	2,138	Pershing	1,135
Eureka	1,928	Storey	1,807
Humboldt	1,258	Washoe	1,101
		White Pine	1,245

The product of this calculation equals guaranteed basic support for pupils for each district.

Determine the number of special education program units for handicapped minors operated within each district; multiply the number by $17,600; the product equals guaranteed basic support for special education units.

Total guaranteed basic support for each district is the sum of its basic support for pupils and for special education units.

The Nevada plan recognizes differences in characteristics that most directly cause school costs to differ. It then provides basic support in different amounts to the 17 school districts in relationship to their characteristic differences. The important elements involved in the calculation of the basic support guarantee per pupil of the several districts are as follows:

A. Teacher allotment - A total count of teacher unit allotments and additional special service and administrative allotments is made for each district. The 1977-79 allowance for each allotment is $11,900.

The number of pupils which compose a teacher unit allotment varies by enrollment in a school attendance area (a geographical population center where one or more schools are maintained). Pupil/Teacher ratios allowable for a teacher unit for elementary pupils are higher than for secondary pupils. Allowable teacher unit allotments for selected enrollment categories are as follows:

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: The calculated guaranteed basic support level minus the local share.

Local share: (a) A required levy of 70 cents on each $100 value of taxable property within the district. (b) 1-cent local origin school sales tax.

Estimated amounts for 1978-79 Statewide totals:

Basic Support for pupils	$164,500,990
Basic Support for Special Education Units	11,088,000
Total Basic Support	175,588,990
Local Share	86,693,990
State Share	88,895,000

Extent of Participation: All 17 districts participate.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**

Nevada Plan - 1977

Teacher Allotment Tables, Related Allocations, and Values

I. Teacher Units

For Elementary Pupils

Enrollment From	-	To	No. of Teachers	Pupil/Teacher Extremes	
3	-	12	1	3	12
13	-	27	2	6.5	13.5
28	-	44	3	9.3	14.9
45	-	66	4	11.2	16.5
67	-	90	5	13.2	18
91	-	120	6	15	20
121	-	152	7	17.2	22
153	-	192	8	19	24
193	-	4,800	divide by 26, but not less than 9	21.5	26
4,801	-	14,400	divide by 25	25	
14,401 or more			divide by 24	24	

For Secondary Pupils

Enrollment From	-	To	No. of Teachers	Pupil/Teacher Extremes	
Not more than 45			5	-	9
46	-	54	6	7.6	9
55	-	77	7	7.9	11
78	-	104	8	9.8	13
105	-	135	9	11.7	15
136	-	170	10	13.6	17
171	-	209	11	15.5	19
210	-	252	12	17.5	21
253	-	3,200	divide by 22, but not less than 12	22	
3,201 or more			divide by 21	21	

II. Special Education Program Units ($11,088,000)

For 1978-79, one for every 10 teacher allocations, provided special education program units are operated.

III. Other Certified Staff Allocations

For districts of less than 600 enrollment, 1 for every 5 teacher allocations

For districts of 600 to 1200 enrollment, 1 for every 4 teacher allocations

For districts of more than 1200 enrollment, 1 for every 3 teacher allocations

IV. Value Assignments:

Kindergarten enrollee	-	weighted 0.6, then counted as elem.
Elementary enrollee	-	$136
Secondary enrollee	-	$190
Teacher and certificated staff allocation		$11,900
Special education program unit	-	$17,600

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Transportation . . . . ($5,237,018) B. Transportation - In calculating basic support for a district an allowance is made of 75¢ for every dollar spent for transportation during the prior period. PUPIL TARGETED PROGRAMS Special Education . . . . See Basic Support Program PUPIL SUPPORT SERVICES Transportation . . . . See Basic Support Program	

NEW HAMPSHIRE

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Paul R. Fillion, Chief, Administration, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 5 percent of the State and local revenues for public schools.
2. Biennial appropriations for the 1977-79 school years were the principal source of school revenues. Part of the proceeds from State sweepstake lotteries are also available as school aid.
3. The State paid $1,952,078 to school districts as general aid which was designed to provide some property tax relief.

LOCAL SUPPORT

1. There are 159 independent school districts and 9 dependent school districts.
2. Property taxes are the sole source of local tax revenues available for public schools. There are no county taxes for school support.
3. School taxes are authorized by popular vote at the annual school district meeting for independent school districts or by city government officials in the fiscally dependent school districts. There is no maximum rate limit.
4. The debt limit is equal to 7 percent of a district's valuation. Cooperative districts which are consolidated districts with grades 1-12 have a debt limit of 10 percent.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $15,080,372 (100%)	
BASIC SUPPORT PROGRAMS	
FOUNDATION AID FUND $ 3,871,268 (25.67%) Ch. 198, Sec. 8-15 Revised Statutes Annotated as amended) Full funding of the Foundation Aid Program would have required $55,097,020 based on the prior year statewide cost of $1,061 for elementary students and $1,249 for secondary pupils and with a 14 mill local contribution rate. The available aid was distributed to school districts where the 14 mill local effort yielded less than $617 for each elementary pupil and $727 for each high school pupil. Membership statistics used are those for the second school year preceding the year of actual payment.	State share: A district is eligible to receive the amount by which the foundation program exceeds the local effort contribution. If, however, local tax receipts amount to less than the specified 14-mill effort, State foundation aid is reduced by an amount equal to the difference between the local effort and amount received from local taxation for school purposes. Should the State appropriation for this fund amount to less than the total eligibility, the State Board of Education adjusts the per pupil allowances in accordances with the amount available for distribution. Local share: Local districts must levy a tax of 14 mills on the equalized valuation of taxable property. Extent of participation: 39 districts with 56,782 pupils.
SWEEPSTAKES AID FUND $ 2,701,127 (17.99%) (Ch. 284, Secs, 21a - 21p Revised Statutes Annotated) Distributed on the basis of the ADM of public school pupils resident in the school district.	State share: 100 percent of funds. Local share: None. Extent of participation: 168 school districts participate with 173,918 pupils.
STATEWIDE SUPERVISION FUND $ 341,600 (2.66%) (Ch. 194, Sec. 12, Revised Statutes Annotated) State provides salary aid for supervisory unions. Supervisory unions determine the actual amount of the salary to be paid to superintendents, assistant superintendents, and teacher consultants. All school districts are included in a supervisory union.	State share: For the purpose of this paragraph the State's share of the annual salary of the superintendent shall be fixed by the State Board of Education so that each of the amounts so fixed shall vary between not less than two thousand five hundred dollars and not over seven thousand five hundred dollars in steps of two hundred fifty dollars in accordance with the ranges of latest equalized valuations per pupil in average daily membership of the several unions. Local share: Remainder of cost. Extent of participation: 46 supervisory unions.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
EDUCATION OF THE HANDICAPPED (Ch. 186-A, Sec. 8, 10 and 11 Revised Statutes Annotated) $517,075 (3.43%) Tuition may be paid by the State directly to the school district or private institution the child attends. Four former aid programs serving specific categories of handicapped have been consolidated into one program. Because of a reduction in funds available, State funds have been used solely to support the education of children enrolled in institutional programs.	State share: All costs in excess of State average tuition costs. Local share: School districts are required to pay up to the State average cost for tuition purposes toward the education of handicapped children.
AREA VOCATIONAL SCHOOLS' FUND (Ch. 188, Secs. 8 and 9, Revised Statutes Annotated) Tuition Aid - $196,222 (1.30%) Construction Aid - $659,035 (4.3%) This fund is used to pay all or a large part of the cost of tuition and transportation for pupils who reside in other districts which maintain high schools and who wish to enroll in one of the vocational programs. If a pupil lives in a district which does not maintain a high school, this fund is used to pay transportation plus any part of his tuition, to one of the 20 area vocational schools which offer comprehensive vocational training programs or to the 3 extension high schools offering a more limited program.	State share: 100 percent of approved costs. Local share: All excess costs. Extent of participation: 21 area vocational school districts.
DRIVER EDUCATION (Ch. 262, Sec. 1-a, Revised Statutes Annotated) $437,401 (2.90%) The proceeds from original operators' license fees and from initial number plates, after costs of plates and issuance have been deducted, shall be expanded solely for courses of instruction and training in safe motor vehicle driving conducted in or under the supervision of secondary schools. The district is entitled to the amount of the approved expenditure.	State share: 100 percent of calculated amount. Local share: All additional program costs. Extent of participation: 60 school districts and 9 non-public schools participate in this program.
FOSTER CHILDREN AID (Ch. 198, Sec. 23-26, Revised Statutes Annotated) $ 78,768 (0.52%) When a child has been placed in a home by Child and Family Services of the Department of Health and Welfare or by a licensed childplacing agency, the school district in which said home is located is entitled to payment of $200.00 for each foster child attending school in the district or for whom the district pays tuition.	State share: $200.00 per child. Total amount distributed not to exceed $200,000. Local share: All additional education expense.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL SUPPORT SERVICES	
SCHOOL LUNCH AID $322,828 (2.14%) (Ch. 186, Sec. 13, Par XI Revised Statutes Annotated)	
Matching funds appropriated to meet Federal requirements concerning reimbursements for lunches served in approved program.	State share: Required matching portion. Local share: None. Extent of participation: 145 school districts and 30 private schools.
CURRENT AID PROGRAMS, N.E.C.	
SCHOOL DISTRICT REORGANIZATION AID $366,671 (2.43%) (Ch. 195-A: 10-11 and 198: 18 Revised Statutes Annotated)	
In an Authorized Regional Enrollment Area (AREA) the State pays annually to each receiving district: for each pupil in ADM from a sending district $45 in an AREA elementary school, $60 in an AREA junior high school, and $75 in an AREA high school. For each pupil from a pre-existing district who attends a cooperative school located in another pre-existing district the State shall pay annually an amount in accordance with the same schedule used for AREA aid.	State share: 100 percent of amount. If State appropriation is not sufficient, aid to an AREA school and a Cooperative School district shall be prorated. Local share: None. Extent of participation: 48 school districts.
DUAL ENROLLMENT AND CHILD BENEFIT SERVICES $182,733 (1.21%) (Ch. 198, Sec. 21 and 22, Revised Statutes Annotated)	
Any school district which operated an approved dual enrollment agreement under the provisions of RSA 193:1-a is eligible for the full operational costs, exclusive of capital improvements, the first year of operation and one-half such costs the second year. There is no subsequent eligibility. Any school district providing child benefit services under the authority of RSA 189:49-50 shall be granted not more than 70 percent of such costs for the services. The Dual Enrollment program provides some instructional services in public school buildings to pupils enrolled in nonpublic schools. The Child Benefit Services Program provides certain services to nonpublic school students. School health and nursing, textbooks, hot lunch and educational television may be provided in either a public or nonpublic school building. The following services must be provided in a public building or facility: guidance, testing, special programs for the handicapped, driver education and physical education.	State share: (Dual Enrollment) Full operational costs, exclusive of capital improvements, the first year of operation and one-half such costs the second year. There is no subsequent eligibility. (Child Benefit Service) Not more than 70 percent of such costs for services. Local share: All costs in excess of State contribution. Extent of participation: Child Benefit Service: 30 school districts participated.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

CAPITAL SUPPORT PROGRAM

SCHOOL BUILDING AID FUND $5,405,646 (35.85%)
(Ch. 198, Sec. 15-a-g, Revised Statutes Annotated as amended)

School districts which have not been reorganized as cooperative districts or are not the receiving district for an Authorized Regional Enrollment (AREA), are entitled to 30 percent of the annual payment on principal. No allowance is made for the payment of interest. Other school districts are entitled to an amount ranging from 40 percent to 55 percent of the annual principal payment, depending on the number of pre-existing districts which have been combined into the cooperative district, or the number of districts in the AREA. The amount of the principal payment which serves as the basis for the percentage entitlement may be increased by an amount equal to the amount of capital reserve funds and the amount raised by taxation up to the time of the bond issue which was actually expended in the construction or enlargement divided by the number of years for which the notes or bonds were issued.

State share: The State makes payments to any school district which is making annual payments to retire serial notes or bonds, providing the State Board of Education has approved the plans, specifications, and costs of the school building construction project involved. The project may involve a new school building, enlargement of a building, or renovation of a building which results in increased pupil capacity.

If the State appropriation is not sufficient, school building aid shall be prorated equally.

Local share: Local share is 100 percent of interest costs and the remaining principal costs.

Extent of participation: 128 school districts participate.

NEW JERSEY

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

William T. Seerle, Director, School Finance and Regulatory Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provides approximately 43 percent of the State-local revenues for public schools.
2. State funds for public schools are provided by annual appropriations. In addition $20 million of the State's lottery proceeds were earmarked for public schools in 1978-79.
3. An estimated $573.9 million was earmarked in 1978-79 from the State income tax to the Property Tax Relief Fund. These proceeds were returned to individual property taxpayers.
4. The Public School Education Act of 1975 is the major new basic aid support program and was implemented in the 1976-77 school year.

LOCAL SUPPORT

1. There are 589 fiscally independent school districts, 4 fiscally dependent county special service districts, and 18 county vocational schools in the State.
2. Property taxes are the sole source of local revenue for public schools.
3. Local contributions to the State's basic equalization program equalled $1,745.3 million in 1978-79. Local leeway taxes were reported at $146.7 million.
4. Voter approval of the total school levy for current operating expenses and debt service is required annually.
5. A per pupil budget ceiling is in effect for each district with the annual increase limited to an amount which reflects the growth in a district's equalized valuation and the ratio of the district's per pupil budget to the statewide average. The formula has the effect of allowing districts with below average budgets to increase their annual budget ceilings by greater amounts. An appeals provision for increasing a district's budget limit is also provided.
6. There is no district debt limit specified by law.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $1,378,889,226 (100%)

BASIC SUPPORT PROGRAM

CURRENT EXPENSE EQUALIZATION SUPPORT $732,824,597 (53.18%)
(NJSA 18A:7A-1 et seq.)

The State guarantees to each district its "State support ratio" (see 1 a in right column) times its net current expense budget for the prebudget (prior) year. The net current expense budget is limited to the amount raised by the local taxes, equalization State support and State aid for approved transportation. No maximum participation rate is specified in the law. For 1978-79, the States guaranteed valuation per pupil amounts to $106,000 which is equal to 1.35 times the mean district valuation.

Minimum Guarantee ($65,284,966)

No district shall receive less in current expense equalization support than 10% of the State support limit.

Enrollment Count

Prior year enrollment count of the last school day in September is used.

Budget Growth Limit

The annual growth in a district's net current expense budget (NCEB) is limited by formulas which allow greater increases to districts spending below the Statewide average. The formulas are:

			Basic Growth Rate		Base NCEB		Equalization Factor
For districts spending below the average	$\frac{3}{4}$	x	Latest Annual Percentage Change in Statewide Equalized Valuation	x	Prior Year's State Average NCEB per Pupil	x	$\frac{\text{Prior Year's State Average NCEB per pupil}}{\text{Prior Year's District NCEB per Pupil}}$
For districts Spending at or above the Average	$\frac{3}{4}$	x	Latest Annual Percentage Change in Statewide Equalized Valuation	x	Prior Year's District NCEB per Pupil	x	$\frac{\text{Prior Year's State Average NCEB per Pupil}}{\text{Prior Year's District NCEB per Pupil}}$

State Share:

a. Divide the district's equalized valuation per pupil by the State guaranteed valuation per pupil and subtract the quotient from 1.000 to obtain the district's State support ratio.

b. Multiply the district's State support ratio by the smaller of the net current expense budget for the pre-budget year or the product of the resident enrollment and the State support limit. The amount obtained is the current expense equalization support.

Local Share: Remaining costs

Extent of Participation: 605 School Districts; 1,383,810 Pupils. 225 districts are receiving minimum aid.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

In each case, the formula gives the amount by which the NCEB could be increased for each pupil enrolled. Multiplying the result of the formula by the prior year's enrollment gives the total dollar amount by which the district's NCEB can be increased.

Waiver of budget caps is allowed if an increase in enrollment is anticipated in a district. The cap may also be waived by the Commissioner of Education, "having judged that a reallocation of resources or any other action taken within the permissible level of spending would be insufficient to meet the goals objectives and standards established pursuant to this act." (NJSA 18A:7A-25)

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

SPECIAL EDUCATION (NJSA 18A:7A-20 et seq.) $87,225,365 (6.33%)

Special Education Aid provides financial assistance for pupils who are enrolled in programs for handicapped pupils.

a. The number of categorical aid units shall be determined by adding the products obtained by multiplying the pupils in each category by the following additional cost factors:

Categorical Programs

Special Education Classes	Additional Cost Factors
Educable	0.53
Trainable	0.95
Orthopedically handicapped	1.27
Neurologically impaired	1.06
Perceptually impaired	0.85
Visually handicapped	1.91
Auditorially handicapped	1.38
Communication handicapped	1.06
Emotionally disturbed	1.27
Socially maladjusted	0.95
Chronically ill	0.85
Multiple handicapped	1.27

Other Classes and Services	Additional Cost Factors
Approved private school tuition	1.0 plus the additional cost factor of the handicap
Supplementary and speech instruction	0.09 based on the number of pupils actually receiving such instruction in the prior school year

b. The number of categorical aid units for home instruction shall be determined by multiplying the number of hours of instruction actually provided in the prior school year by 0.006.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Each area of categorical aid is assigned additional cost factors. These factors, multiplied by the pupils in each area, result in the categorical aid units. These units are then multiplied by the State Average Net Current Expense for the pre-budget year to determine the State Aid.

Local Share: Remaining costs

Extent of Participation: 590 School Districts; 37,331.5 Pupils

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PILOT PROJECT FOR PRESCHOOL EDUCATION OF HANDICAPPED $900,000 (.07%) In the absence of mandatory legislation, the Department of Education is encouraging the development and support of programs by local school districts utilizing funds from the extraordinary State appropriations designated "Pilot Preschool Projects for Handicapped and estimates that 11,000 preschool age (3-4 and 5 years old) children may be in need of special education programs.	State Share: Reimbursement will be made for all programs approved prior to September 1978 and approved payments made to the local school districts during the 1978-79 school year. The total costs of programs approved will not exceed funds available. Local Share: Remaining costs Extent of Participation: 49 School Districts; approx. 2,000 Pupils.
APPROVED LOCAL VOCATIONAL EDUCATION $5,953,986 (.43%) Approved Local Vocational Education Aid is provided for full-time equivalent pupils enrolled in approved vocational programs in school districts designated as local area vocational school districts. Additional cost factor equals 0.53 for each enrolled pupil.	Extent of Participation: 15 School Districts, 6,983.5 Pupils
SCHOOL OF INDUSTRIAL EDUCATION (NJSA 18A:64E-8) $30,000 (insig.) The programs in this school provide education to persons for entry into the industrial labor market.	State Share: State funds are provided on a matching basis with those raised locally. Local Share: Remaining costs Extent of Participation: One municipality. 456 Students
VOCATIONAL EDUCATION (NJSA 18A:58-34 et seq.) $4,500,000 (.33%) Funds are used for matching purposes with federally assisted program and innovative, exemplary, demonstration and pilot projects in vocational education.	State Share: State funds are used for matching purposes with Federal funds. Local Share: Remaining Costs Extent of Participation: 451 School Districts; approx. 166,000 Students.
WORK STUDY (NJSA 18A:58-35) $500,000 (.04%) This program provides an opportunity for needy students enrolled in vocational education programs to earn wages while they are attending school.	State Share: State work study dollars are matched one for one with local district dollars. Local Share: Remaining Costs Extent of Participation: 143 School Districts; approx. 2,800 Students.
STATE COMPENSATORY EDUCATION $67,922,648 (4.93%) State Compensatory Education Aid is provided for pupils enrolled in preventive and remedial programs, approved by the State Board, supplemental to the regular programs and designed to assist pupils, who have academic, social, economic or environmental needs that prevent them from succeeding in regular school programs. Additional cost factor equals 0.11 for each student enrolled multiplied by the State average net current expense budget of the prebudget year.	Extent of Participation: 568 School Districts; 380,813.0 Pupils

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
STATE COMPENSATORY EDUCATION-RESEARCH AND DEVELOPMENT (NJSA 18A:7A-22) $1,100,000 (.08%) Aid is provided to produce, evaluate and disseminate pilot and demonstration projects and processes which improve the educational programs for compensatory education in the State.	State Share: Grants are made to school districts for the establishment of pilot and demonstration projects for compensatory education pupils, to provide for the establishment of appropriate evaluation procedures, and insure the implementation of such projects. Local Share: None Extent of Participation: Approximately 70 School Districts.
BILINGUAL EDUCATION $6,899,316 (.50%) Bilingual Education Aid is provided to those districts that have a program of bilingual education approved by the State Board. Additional cost factor equals 0.16 of State average net current expense of the prebudget year for each student enrolled.	Extent of Participation: 101 School Districts; 25,998.0 Pupils
ADULT AND CONTINUING EDUCATION (NJSA 18A:50-7) $1,058,000 (.08%) The Board of Education of any school district may maintain a program of adult education and utilize buildings, equipment, and other school facilities of the district. Upon approval of the courses to be offered, by the Commissioner, with the consent of the State Board, technical and financial assistance will be provided by the State.	State Share: Financial assistance is provided to school districts for two thirds (2/3) of the salaries for full or half-time directors of adult education. In no case shall the State share exceed $12,000. Local Share: Remaining Costs Extent of Participation: 127 School Districts; approx. 495,000 Adults.
HIGH SCHOOL EQUIVALENCY (NJSA 18A:50-12) $1,300,000 (.09%) This program is for out-of-school adults and shall include such curricular content appropriate to the high school curriculum as to give the adult an opportunity to attain a level of educational achievement comparable to high school graduation and prepare the adult to secure the high school equivalency certificate.	State Share: Payment by the State, in the form of aid to each program, shall be in an amount equal to the annual costs for instructors' salaries, guidance and counseling services, as well as such items as instructional materials and other equipment needed in the operation and promotion of a local program. Local Share: None Extent of Participation: 146 School Districts; approx. 33,000 Adults.
ADULT LITERACY (PL. 91-230) $889,000 (.06%) Adult Literacy provides instructional programs for out-of-school adults, 16 years of age and over in need of basic literacy and computation skills or high school equivalency diplomas and special segments of this population, such as patients and inmates in State correctional and custodial institutions, migrants and handicapped adults.	State Share: This aid provides the 10% matching share required under the Federal Aid Grant for Adult Basic Education. Local Share: None Extent of Participation: a. School Districts - 8; approx. 7,130 Adults. b. State Colleges - 5; approx. 2,330 Adults. c. State Institutions - 12; approx. 2,809 Adults.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
EVENING SCHOOL FOR FOREIGN-BORN RESIDENTS $203,000 (.01%) (NJSA 18A:49-1 et seq.) Aid is provided for the maintenance of public evening schools for instruction of adult foreign-born residents of the district in the English language and in the form of government and laws of the State and of the United States.	State Share: Aid is paid to school districts in the amount of $1 in State funds allocated for every $1 raised locally with a maximum of $5,000 per school district. Local Share: Remaining Costs Extent of Participation: 73 School Districts, approx. 9,600 Adults.
DISTRICT AND REGIONAL VOCATIONAL EDUCATION $2,006,341 (.14%) (NJSA 18A:54-9 and 18A:54-32) This aid provides for training, retraining, and upgrading of unemployed and underemployed in programs identified by advisory groups from education, industry and government.	State Share: Aid is provided in the amount of $1 for each $1 raised locally up to a maximum of $10,000 per school. Local Share: Remaining costs Extent of Participation: 91 School Districts; approx. 120,000 Adults.
NATIONAL GUARD COOPERATIVE EDUCATION (NJSA 18A:58-35) $125,000 (.01%) This program is designed to help eliminate sex stereotyping in employment. Major efforts are made to place young ladies and young men in nontraditional roles.	State Share: State funds are matched one for one with the U.S. Department of Labor, Division of National Training Programs. Local Share: None Extent of Participation: 40 School Districts; approx. 330 Students.
PUPIL SUPPORT SERVICES	
PUPIL TRANSPORTATION (NJSA 18A:39-1 et seq., NJSA 18A:39-21, NJSA 18A:46-23 and NJSA 18A:58-7, as amended) $89,851,257 (6.52%)	State Share: Aid is paid to local school districts for 100% of the approved cost of transportation provided or purchased for public school students. A similar percentage is paid for approved remote transportation of nonpublic school students, subject to special mileage and cost limitations. Local Share: Remaining Costs Extent of Participation: 583 School Districts; approx. 650,000 Pupils.
COMPUTERIZED BUS SCHEDULING $250,000 (.02%) In the absence of mandatory legislation, funds are provided to pilot districts to assist them in implementing school bus routing by computer to increase the safety of children traveling to and from school and to favorably effect the efficiency of their operation.	State Share: Local school districts sumbit an application for the approval by the Commissioner. After the applications are approved, grants are made depending upon the availability of funds. Local Share: Remaining Costs Extent of Participation: Approximately 64 School Districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
STATE SCHOOL LUNCH AID (NJSA 18A:58-7.1, as amended) $10,600,000 (.80%) Public schools are reimbursed for Type A lunches served under the National School Lunch Program. State funds provide cash reimbursements for all Type A lunches served as well as for those lunches served free or at a reduced rate. Whether the student qualifies for free or reduced price depends upon his family income.	State Share: State funds provide a reimbursement rate of 6¢ for all Type A lunches served to children. Additional State funds are provided for free and reduced price lunches at a rate of 8.4¢. Local Share: Remaining Costs Extent of Participation: 562 School Districts 562,502 average daily student participation
EMPLOYEE BENEFITS	
TEACHERS' PENSION AND ANNUITY FUND (NJSA 18A:66-33) $279,028,115 (20.25%) The State provides the employer's share of the Fund. All public school teachers are required to contribute to the Fund, except for optional participation to certain persons based on age, veteran's status, or teacher's status prior to specified dates. Janitorial employees of local boards of education are also covered.	State Share: The State amount is actuarially determined by using experience of the prior year which is certified to the Governor by the Fund's Board of Trustees. Local Share: None
CURRENT AID PROGRAMS, N.E.C.	
NONPUBLIC TEXTBOOK SCHOOL AID (NJSA 18A:58-37.1 et seq.) $2,110,000 (.15%) The Board of Education in each public school district in New Jersey is required to purchase and loan textbooks upon individual request to all students residing in the public school district who are enrolled full time in grades K-12 in any nonpublic school within New Jersey which complies with compulsory school attendance requirements and with the requirements of Title VI of the Civil Rights Act of 1964.	State Share: Aid is paid in an amount equal to the actual expenditure for the purchased textbooks, not to exceed $10 multiplied by the number of pupils residing in the district and on roll in grades K-12 in non-public schools as of the last school day of September of the preceding year. Local Share: Remaining Costs Extent of Participation: 561 School Districts; 213,000 Est. Pupils.
NONPUBLIC AUXILLIARY SERVICES AID (NJSA 18A:46A-1 et seq.) $7,500,000 (.54%) The Board of Education in each public school district in New Jersey is required to provide auxilliary services, upon the consent of the parent or guardian, to all students residing in the public school district who are enrolled full time in grades K-12 in any nonpublic school within New Jersey which complies with compulsory school attendance requirements and the requirements of Title VI of the Civil Rights Act of 1964. Auxilliary services consist of compensatory education, supplementary instruction, home instruction, and supportive services for acquiring communication proficiency in the English language for children with limited English-speaking ability.	State Share: Aid is paid in an amount equal to the Statewide average cost of providing each equivalent service to pupils enrolled in the public schools multiplied by the number of pupils expected to require each auxiliary service. Local Share: Remaining Costs Extent of Participation: 413 School Districts; approx. 30,000 Pupils.
NONPUBLIC HANDICAPPED AID (NJSA 18A:46-19.1 et seq.) $2,657,000 (.19%) The Board of Education in each public school district in New Jersey is required to provide for the identification, examination, and classification of potentially handicapped pupils and the services of a speech correctionist for pupils classified as having an articulation disorder, who reside in the school district and are enrolled full time in grades K-12 in any nonpublic school within New Jersey which complied with compulsory school attendance requirements and with the requirements of Title VI of the Civil Rights Act of 1964.	State Share: State aid is paid in an amount equal to the actual expenditure required by each public school district to provide for the identification, examination and classification of each handicapped pupil and the services fo a speech correctionist. Local Share: None Extent of Participation: 370 School Districts; 8,800 Pupils.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
NONPUBLIC NUTRITION AID (NJSA 18A:58-7.1a et seq.) $580,000 (.04%) Nonpublic schools are reimbursed for Type A lunches served under the National School Lunch Program. State funds provide cash reimbursements for all Type A lunches served, as well as for those lunches served free or at a reduced rate. Whether the student qualifies for free or reduced price depends upon his family income.	State Share: State funds provide a reimbursement rate of 6¢ for all Type A lunches served to children. Additional State funds are provided for free and reduced price lunches at a rate of 8.4¢. Local Share: Remaining Costs Extent of Participation: 270 School Districts; 38,915 average daily student participation.
PUBLIC SCHOOL SAFETY (NJSA 18A:17-44) $2,506,598 (.18%) Upon authorization by the Commissioner, the board of education may employ one or more school law enforcement officers in public schools while schools are in session and be reimbursed by the State for their salaries.	State Share: The State provides reimbursement to school districts up to 75% of the cost of public school law officers employed by local boards of education, depending on the availability of funds. Local Share: Remaining Costs. Extent of Participation: 60 School Districts; Program not educationally directed to students.
EMERGENCY AID (NJSA 18A:58-11 $500,000 (.04%) This statute allows the Commissioner, with the approval of the State Board of Education, to distribute funds for current operating expenses to meet unforeseen conditions in any school district.	State Share: 100% of approved amount. Local Share: None Extent of Participation: Unknown, due to nature of program.
CAPITAL SUPPORT PROGRAMS	
SCHOOL BUILDING AID FOR DEBT SERVICE AND BUDGETED CAPITAL OUTLAY (NJSA 18A:7A-18) $54,587,933 (3.96%) Debt service support means and includes payments of principal and interest upon school bonds and other obligations issued to finance the acquisition of school sites and the acquisition, construction or reconstruction of school buildings, including furnishings, equipment and the costs of issuance of such obligations and shall include payments of principal and interest upon bonds heretofore issued to fund or refund such obligations, and upon municipal bonds and other obligations which the Commissioner approves as having been issued for such purposes. Budgeted capital outlay means those capital outlay expenditures that are included in the annual school budget.	State Share: School Building Aid shall equal the total of the net debt service and budgeted capital outlay budgets for the pre-budget year multiplied by the district's current expense State support ratio. If the product is less than zero, no support shall be paid. Budgeted capital outlay used for calculation of State Support shall be the smaller of the budgeted capital outlay for the pre-budget year or 1 1/2% of the sum of the current expense and budgeted capital outlay for the pre-budget year. Local Share: Remaining Costs Extent of Participation: (a) Debt Service - 404 School Districts; (b) Capital Outlay - 263 School Districts.
ADDITIONAL STATE SCHOOL BUILDING AID (NJSA 18A:58-33.2) $14,261,070 (1.03%) When a local board of education determined by resolution that it was unable to comply with the provisions of NJSA 18A:33-1, an application for Additional State School Building Aid was filed with the Commissioner of Education and the State Board of Education. An investigation of the district was performed, taking into consideration unhoused pupils, rate of pupil growth, total tax rate of the municipality, the school tax rate of the district, net debt of the municipality, school debt, density of population, apportionment valuation in support of each child, number of children on welfare rolls, and such other factors as the Commissioner and State Board deemed necessary.	State Share: The entitlements are based upon a percentage of a calculated maximum amount with the annual debt service not to exceed $25 per pupil in resident enrollment as of 9/30/68 and/or 9/30/69. Local Share: Remaining Costs Extent of Participation: 80 School Districts; Program not educationally directed to students.

NEW MEXICO

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Rebecca Delgado, Administrative Assistant, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 78 percent of the State-local revenues for public schools.

2. State school aid funds were provided from the following sources in 1977-78:

1.	State appropriations	$193.1 million
2.	Current school fund (interest on investment of the permanent fund, land income and fines and forfeitures)	63.4 million
3.	Receipts from Federal Mineral leases	52.5 million

3. The State provides a uniform guarantee of $905 per pupil unit.

4. The State reports that interdistrict expenditure disparities decreased from 14 percent to 7.5 percent in two years. Districts with below average wealth increased expenditures by 98 percent above the last pre-reform year, 1973; expenditures in other districts rose by 89 percent in the same period.

LOCAL SUPPORT

1. There are 88 fiscally dependent school districts.

2. Local contributions to the State basic support program amounted to $38.0 million in 1977-78. Local leeway revenues equalled $4.5 million in the same year.

3. The maximum rate limit is 8.925 mills which is also the rate required for participation in the basic support program. The maximum rate for all local government purposes is 20 mills.

4. School debt is limited to 6 percent of the local assessed valuation of taxable property in the district.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$339,337,300	(100%)

BASIC SUPPORT PROGRAM

STATE EQUALIZATION GUARANTEE DISTRIBUTION (Section 77-6-2H of House Bill 85)	$305,771,500	(90.11%)

The funding formula utilizes cost differentials based on the educational program needs of each pupil. The program unit was set at $1,020 for all programs. Estimated number of units funded:

Regular	292,898 units
Special education	29,560 units
Early childhood	1,456 units
Bilingual	2,679 units

The following weights were established:

Program		Weight
Kindergarten		1.3 (F.T.E.)
Grades 1-3		1.1 ADM
Grades 4-6		1.0 ADM
Grades 7-12		1.25 ADM
Special Education:		
A/B (itinerate/resource rooms):	(1)	20.0 (total add-on units for approved program) or
Grades 1-3	(2)	.12 ADM
C Moderately handicapped		1.9 ADM
D Severely handicapped		3.5 ADM
Bilingual		.3 (F.T.E. add-on)

Funding for special education	($30,151,200)
Funding of bilingual education	($ 2,732,580)
Funding for early childhood	($11,685,120)

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: The balance of the guaranteed program cost after district's share is calculated below.

Local share:

a. 95% of a uniform tax rate of 8.925 mills levied against district assessed value.

b. 95% of district's share of motor vehicle license fees,

c. 95% of Federal P.L. 874 revenue, and

d. 95% of Federal Forest Reserve revenue.

Extent of participation: 88 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Sparsity ($13,340,580)

Schools with ADM less than 200:

Elementary and Junior High: $\frac{200-\mathrm{ADM}}{200} \times 1.0 \times \mathrm{ADM} = \text{units}$

Senior High: $\frac{200-\mathrm{ADM}}{200} \times 2.0\ \mathrm{ADM} = \text{units}$

Districts with ADM less than 4,000:

$\frac{4000-\mathrm{ADM}}{4000} \times 0.15 \times \mathrm{ADM} = \text{units}$

Teacher Training and Experience ($15,607,020)

A State-wide weighted average of teacher training and experience is computed for each district utilizing a matrix of five training levels and five experience levels. The index is multiplied by the sum of program units (excluding special educational units of approved private programs) to yield adjusted program units; however no district's training and experience index shall be less than 0.95.

A district's program cost is determined by multiplying its total program units by the appropriated dollar per unit.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

Special Education	See Basic Support Program
Early Childhood Education . .	See Basic Support Program
Bilingual, Multicultural Education	See Basic Support Program

PUPIL SUPPORT SERVICES

TRANSPORTATION
(Sections 77-6-22 and 77-6-23, NMSA 1953.) $21,026,400 (6.20%)

State share: 100 percent of approved costs.

Local share: None.

Extent of participation: 88 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
FREE TEXTBOOD FUND (Section 77-13-5 through 77-13-14, N.M.S.A., 1953 Compilation) $5,104,400 (6.20%) $17.00 per pupil in ADM in grades K-12 and pupils enrolled in Adult Basic Education in public and private schools. Funds are appropriated from the Federal Mineral Leasing Fund. Credits are established with the State Textbook and Materials Depository, and the participants draw State approved books and materials up to the amount of entitlement. Up to 20 percent of a district's credit may be used to purchase materials not in the State adopted list.	State share: 100 percent. Extent of participation: All 88 school districts and most private schools.
CURRENT AID PROGRAMS, N.E.C. SUPPLEMENTAL DISTRIBUTIONS: (Section 77-6-29, N.M.S.A., 1953)	
(a) Out-of-State tuition $ 300,000 (0.09%) State support for students living near New Mexico borders that are more economically educated in other States.	State share: 100 percent. Local share: None. Extent of participation: 8 school districts.
(b) Emergency distribution $ 335,000 (0.10%) District must completely justify a fully unexpected occurance and must not have 5 percent or more of operating budget in cash and invested reserve.	State share: 100 percent
(c) Emergency Capital Outlay $ 200,000 (0.06%) For emergency capital outlay distribution to districts that have experienced an unexpected capital outlay emergency demanding immediate attention.	State share: 100 percent.
CAPITAL SUPPORT PROGRAMS	
PUBLIC SCHOOL CAPITAL IMPROVEMENTS FUND $6,600,000 (1.94%) Senate Bill 9, 32nd Legislature, Special Session 1975 State guarantees $35 per mill for 3 years to a district levying one or two mills on the assessed value of real property for capital improvements.	State share: Balance between local yield and $35 per mill for one or two mills levied for capital improvements. Local share: Proceeds of one or two mills levied for capital improvements. Extent of participation: 47 districts.

NEW YORK

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Edward McKern, Senior Research Analyst, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 41 percent of the State and local revenues for elementary and secondary public schools.
2. State school funds are provided by annual appropriations. In addition, $98 million of State lottery receipts were allocated for school aid in 1978-79.
3. Districts with exceptionally high school tax rates and low full valuation per pupil are provided some aid under a property tax relief program. This aid amounted to $12.59 million for 1978-79.
4. The State reports that some equalization progress has been made since 1975-76, with the decline in the number of districts receiving aid under the save harmless provision.
5. Two new programs have been funded by the State since 1975-76. One provides excess cost aid for handicapped students contracted to private schools. The second provides aid to learning disabled pupils.
6. In a major case Levittown v. Nyquist, a lower court has ruled that the present State school finance system violates the equal protection clause of the State constitution. It found that school expenditures are closely related to property wealth. The school aid formula was also found to descriminate against cities. The case is pending on appeal.
7. In the case of Hellerstein v. Assessors, Town of Islip, 380 N.Y. 52nd 406, the court has ordered that all assessments be made at 100 percent of market value by 1981.

LOCAL SUPPORT

1. There are 736 fiscally independent school district in the State. The 5 largest urban districts are fiscally dependent.
2. Local school revenues are derived from property taxes. Nonproperty taxes amounted to less than 3 percent of total local school tax revenue.
3. Some counties apportion county sales tax revenue among their school districts.
4. Local revenue for public schools amounted to an estimated $4,592 million in 1978-79 and included local contributions to the basic support program.
5. No minimum levy is required for participation in the basic support program. In the independent school districts, annual voter approval is required on district budgets. Budgets in the five dependent city school districts are set with board approval. There is no rate limit in the independent school districts. Dependent school districts are subject to the general purpose rate limit of 2% of the average of the five year full valuations for current operations.
6. The constitutional debt limit for any district is set at 10 percent of its five-year average valuations.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL	(Est.) $3,352,994,000	(100.0%)

BASIC SUPPORT PROGRAMS

GENERAL AID (Sec. 3602 of the Education Law and Chapter Law of 1978)	(Est.) $3,0[illegible],214,000	(90.88%)

Base and Current Year

The base year is the year immediately preceding the current year during which aid is apportioned and paid.

Full Valuation (FV)

The assessed valuation of taxable real property in the district as it appears on the assessment roll of the town or city in which the property is located, for the calendar year immediately preceding the calendar year in which the base year commenced, divided by the equalization rate determined for such roll.

Total Aidable Pupil Units (TAPU)

½ day kindergarten	0.50	
Full day K and grades 1-6	1.00	
Grades 7-12	1.25	
unduplicated weights:		
Special Educational Needs Pupils (educational disadvantaged)	.25	($140,000,000)
Handicapped Pupils	1.00	($38,592,000)*
Summer School	.12	
Evening School	.50	

* For aid paid directly to school districts. See below for other special education programs.

Resident WADA (RWADA)

WADA of the district plus the WADA of resident pupils attending schools outside the district plus the WADA of resident pupils attending full-time classes operated by a Board of Cooperative Educational Services or County Vocational Education and Extension Board, minus the WADA of nonresident pupils is used in computing the aid ratio and is for the year immediately preceding the base year.

Approved Operating Expenses

Base year expenses for the regular day-to-day program. Excluded are expenditures for capital outlay and debt service, transportation of pupils, services from a Board of Cooperative Educational Services, tuition payments, interfund transfers and expenses that do not conform to law or regulations. Revenues excluded are Federal and special State aids, rentals, sales and fees, and proceeds of borrowings.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
State Average Full Value per TAPU was set by the State Legislature at $59,000 for 1978-79. This amount is usually set annually by the Legislature and may not reflect the precise Statewide average per pupil wealth.	
Operating Expense Aid Level I ($2,417,327,000) State-local sharing of approved operating expenses of $1,450 per TAPU. NOTE: Districts spending less than $1,450 receives State aid equal to the amount they would receive had they spent $1,450.	State share: Level I: State Aid = $\$1,450 \left(1-\frac{\text{Dist. FV per TAPU} \times .51}{\$59,000}\right)$ (TAPU)
Level II ($ 38,541,000) State-local sharing of approved operating expenses between $1,450 and $1,500 per TAPU. Districts actually spending between $1,450 and $1,500 receive additional aid under level II provided their full value per TAPU does not exceed $73,750.	Level II: (Additional Aid) State Aid = (excess approved expenditures per TAPU between $1,450 and $1,500) multiplied by $\left(1-\frac{\text{Dist. FV per TAPU} \times .8}{\$59,000}\right)$ (TAPU)
	Flat grants - Districts which qualify for less aid under Levels I and II than $360 will receive a minimum of $360. However, if the district's valuation per RWADA is less than $101,000, this minimum rises to the amount determined by the following formula: State Aid = $360 + .001 ($101,000 - district FV per RWADA) (TAPU)
Limitations and Guarantees ($ 135,876,000) Each district is guaranteed $360 per TAPU for operating expenses. Minimum aid per TAPU shall be the higher of $360 + .001 ($101,000 - district FV per RWADA), or $360.	
Pupil Growth Aid ($ 2,175,000) For districts experiencing growth in pupil attendance approved operating expense aid is increased by percent growth in ADA of attendance of current year over attendance of base year.	Maximum aid for districts with $75,000 or more full value per TAPU is the higher of: 1. (1.05) $\frac{\text{1977-78 TAPU without add'l. secondary pupils X}}{\text{1976-77 TAPU without add'l. secondary pupils X}}$ $\frac{\text{1978-79 Est. Growth Index}}{\text{1977-78 Growth Index}}$ (1977-78 operating aid) OR

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
	2. 1977-78 operating aid plus 50% of any increase in aid from 1977-78 to 1978-79 Maximum aid for districts of under $75,000 full value per RTAPU is the higher of: 1. $\left(1.050 + \frac{\$75{,}000-\text{FV/RTAPU}}{\$2{,}000{,}000}\right)\left(\frac{\text{1977-78 TAPU without add'l. secondary pupils x 1978-79 Est. Growth Index}}{\text{1976-77 TAPU without add'l. secondary pupils x 1977-78 Growth Index}}\right)$ (1977-78 operating aid) OR 2. 1977-78 operating aid plus 50% of any increase in aid from 1977-78 to 1978-79 In no case, however, can 1978-79 operating aid be greater than 110% of 1977-78 operating aid. Extent of Participation: 709 major school districts
High Tax Aid . . . . (Est.) ($12,592,000) Available to districts making an exceptional tax effort relative to local resources. When approved operating expense/TAPU is less than the State average for the prior year, aid is computed as follows: 1. Aid Percentage = $\frac{\text{Tax Rate} - .0200}{.0200}$ 2. Aid Ratio = $1 - \frac{\text{District full value/RTAPU of year prior to base year}}{\text{State average full value/TAPU of year prior to base year}}$ 3. Aid = Aid Percentage x Aid Ratio x $180 x TAPU 4. Minimum aid is the dollar amount received in base year When approved operating expense/TAPU is greater than the State average for the prior year, the tax rate is adjusted as follows: Adj. tax rate = $\frac{\text{tax rate x State ave. AOE/TAPU}}{\text{district AOE/TAPU}}$	To qualify a district must have a base year tax rate of of $20 or more per $1,000 of full valuation and a full value per RTAPU in the year prior to the base year of less than the State average full value per TAPU. Extent of Participation: 182 districts
Capital Outlay and Debt Service . . . (Est.)($220,000,000) Cost of construction in relation to rated pupil capacity, limited by a schedule of cost allowances which is updated by a monthly index of the cost of labor and materials.	State share: Building expense aid is the sum of the base year approved capital outlay and approved current expense for debt service multiplied by the aid ratio. Building aid is not paid to districts scheduled for reorganization unless the aid will not impede reorganization. Extent of Participation: Approximately 650 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Construction (April 1978)

Grades K-6	$3,375 per pupil in rated capacity
Grades 7-9	$4,725 per pupil in rated capacity
Grades 10-12	$5,062 per pupil in rated capacity

Incidental costs, including site, furnishing, equipment, and professional fees:

Grades K-6	20 percent of construction cost allowance
Grades 7-12	25 percent of construction cost allowance
Reconstruction or Modernization	An amount not to exceed 50 percent of cost allowance for new construction.

Pupil Transportation . . . . (Est.) ($294,988,000)

Approved transportation costs are those incurred in transporting allowable pupils (living 1½ miles or more from school) to and from school once daily on approved buses over approved routes.

State share: Transportation expense aid is 90 percent of approved expenses.

Limitation: Aid may not exceed 107% of aid for 1977-78. Certain items of expenditure are exempt from the limitation, however.

Extent of Participation: 735 districts

Reorganized Districts:

Incentive Aid . . . . (Est.) ($ 9,000,000)

To qualify 1) two or more districts must reorganize after July 1, 1965; 2) the reorganization completes the State reorganization plan; 3) and the reorganization encompasses certain size and types of districts.

Operating expense aid is increased 10 percent not to exceed the lesser of 95 percent of approved operating expenses or $1,200 per adjusted ADA for five years. Beginning with the sixth year, the aid is reduced one percent a year until eliminated.

Incentive Aid, Building . . . . .

Reorganized districts entitled to 25 percent additional building expense aid, not to exceed 95 percent of approved expenditures for capital outlay and debt service.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Save Harmless . . . . ($70,957,000) A minimum guarantee of the total operating aid received in 1977-78 or the amount per TAPU received in 1977-78. The formula for a per pupil save harmless is: $\text{1977-78 operating aid} \times \frac{\text{1977-78 TAPU without add'l. secondary pupils} \times \text{1978-79 growth index}}{\text{1976-77 TAPU without add'l. secondary pupils} \times \text{1977-78 growth index}}$	
Aid to Small Districts (Secs. 3602b and 2043 of the Education Law) For districts which employ fewer than eight teachers or contract for instruction with other districts.	State share: Aid ratio times the smaller of operating expenses or $4,500 per full-time teacher, and base year WADA times $60, plus base year times .90. Local share: $9 per $1,000 of full valuation of taxable property for operating districts. A $10 levy for wholly contracting districts, or the levy of the receiving districts if higher. Extent of participation: 12 fewer than eight teacher districts. Six contract districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special education . . . . (See Basic Support Program) Compensatory education . . . . (See Basic Support Program)	
BOARDS OF COOPERATIVE EDUCATIONAL SERVICES (Sec. 1950 of the Education Law) (Est.) $146,500,000 (4.37%) Boards of Cooperative Educational Services composed of two or more school districts provide more efficiently and comprehensively services and programs than the districts could provide independently. State aid is based on approved prior year expenditures made on behalf of component districts by the Board. Dollars are not earmarked for BOCES handicapped or vocational programs. Aid is paid to the Board for approved programs which they are legally empowered to undertake. In a recent year of total approved expenditures, approximately 47% was spent on education of the handicapped, 44% on vocational education, and 9% on facilities and rental expenses.	State and Local shares: Each school district's share of the approved cost of services and administration provided by the board is an amount which is in the same proportion to the total cost as an 8-mill tax is to the district's tax rate for the year. The State aid is the balance of approved expenditures. The State aid to the component district is the higher of the aid computed above or the amount that would be obtained by multiplying approved expenditures by the district's aid ratio.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Limitations and Guarantees:

1. Service costs are allowed only for approved services.
2. Only the first $9,500 of an employee's salary is allowed in determining approved cost of service.
3. Administrative costs may not exceed 10 percent of the Board's total expenditures.
4. A "save harmless" aid based on approved costs in 1966-67 is guaranteed each component district. However, in any year in which approved costs are lower than in 1966-67, aid will be reduced proportionately.

Capital Costs: Boards of Cooperative Educational Services may acquire or construct buildings. On voter approval, the New York State Dormitory Authority may act on behalf of BOCES to provide the financing. Buildings may also be financed from budgetary appropriation. Approval of the Education Department is necessary. The apportionment for approved capital costs is determined by multiplying each component district's share of such costs by the aid ratio, not to exceed .90.

SPECIAL SERVICES AIDS TO THE FIVE LARGEST CITIES . . . . $63,980,000 Est. (1.91%)

Aid intended to help defray the additional cost of education certain severely handicapped and certain secondary occupational education students. This aid is paid to these districts since they are not allowed to participate in BOCES programs.

State share: For eligible severely handicapped students, aid = [$4,000 - (District full value per RWADA.015)] (ADA of eligible students)

For eligible occupational education students, aid = $1,400 - [(District full value per RWADA)(.015)] (ADA of eligible students)

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Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
AID FOR CHILDREN WITH LEARNING DISABILITIES $9,000,000 Maximum Est. (0.27%) A new aid designed to help defray the additional cost of educating pupils with learning disabilities.	State share: Aid is calculated as follows: 1. Net cost per pupil = $400 + mean salary and fringe benefits of classroom teacher in year prior to base year divided by 40 - (.25 Operating Aid per TAPU for Current year) 2. Aid = net cost per pupil x aid ratio for operating aid x ADA of pupils with learning disabilities for the current year ADA for aid may not be more than 107% of ADA of pupils with special education needs. Extent of participation: 737 districts
PUPIL SUPPORT SERVICES Pupil Transportation . . . . . . See Basic Support Program	
STATE AID FOR TEXTBOOKS . . . . . (Est.) $60,000,000 (1.79%) (Sec. 701 of the Education Law) Public school districts are reimbursed for expenditures for textbooks purchased to loah to resident public and nonpublic pupils in grades K-12. State aid is equal to actual expenditures or $10 per enrolled pupil. An additional $5 or actual expenditure per pupil will be provided from lottery fund proceeds.	State share: 100 percent. Extent of participation: 737 school districts.
SCHOOL LUNCH AND BREAKFAST PROGRAM AID (Est.) $11,300,000 (0.34%) School lunch aid is by allowable amount per meal, by type of meal served, to supplement Federal grants when Federal funds are exhausted. The jointly financed school lunch program is supplemented with a school breakfast program ($7.4 million).	State share: 100 percent of allowable amount. Local share: None. Extent of participation: Approximately 6,000 buildings

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DISTRICT CHARACTERISTICS		
High Tax Aid	See Basic Support Program	
Declining Enrollment	See Basic Support Program (Save Harmless)	
Pupil Growth	See Basic Support Program	
Small District Aid	See Basic Support Program	
Reorganization Incentive Aid . . .	See Basic Support Program	
CURRENT AID PROGRAMS, N.E.C.		
SPECIAL PROGRAM AID (Various Sections)	(Est.) $15,000,000 (0.45%)	
Six programs designed to meet special needs of selected districts and children or to explore new educational processes	Funds are provided each year by specified appropriation. Aid is based on approved cash expenditures for approved projects.	State share: It varies, depending on the method prescribed by law or Commissioner's Regulations. For most programs the State's share is at least 50 percent of the approved cash expenditures. Local share: Balance of approved amounts. Extent of participation: Approximately 220 districts.
CAPITAL SUPPORT PROGRAMS		
Capital Outlay and Debt Service	See Basic Support Program	

NORTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Carlton Willis, Division of Statistical Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 73 percent of State-local revenues for elementary and secondary public schools.
2. State funds are provided solely through annual appropriations.
3. Since 1975-76, the only new program initiated in the State is entitled, Every Pupil Testing.

LOCAL SUPPORT

1. There are 145 fiscally dependent school districts.
2. Out of an estimated $372.5 million raised locally for public schools, $300 million was derived from local property taxes. Taxes on sales and intangibles provided additional revenues. Other receipts were from fines and forfeitures, A.B.C. revenues, and other miscellaneous sources.
3. There is no required local contribution to the basic support program.
4. The law specifies no maximum tax rate or levy.
5. District debt limits vary between 5 percent and 8 percent of assessed property valuations.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $1,086,069,884 (100.00%)

BASIC SUPPORT PROGRAM

PUBLIC SCHOOL FUND $985,108,277 (90.70%)
(Current expense, grades K-12
(Ch. 115 of the General Statutes
and State Board of Education Policy)

Salaries . . . . Scheduled amount per allotted position filled:

	Type of Certificate*	Monthly Salary Starting	Monthly Salary Maximum	Years to Reach Maximum
Teachers generally (10 months)	Graduate	$1,079	$ 1,508	14
	Class A	989	1,385	13
	Class B	835	1,020	6
	Class C	684	835	5
Vocational education teachers (10,11, and 12 months)	Graduate	1,111	1,538	14
	Class A	1,020	1,416	13
	Provisional Vocational	989	1,385	13
	Provisional Class B	897	1,079	6
Supervisors (12 months)	Graduate	1,169	1,611	14
	Class A	1,169	1,486	11

*Graduate = Master's Degree
Class A = Bachelor's Degree
Class B = No Degree
90 Sem. Hrs.
Class C = No Degree
60 Sem. Hrs.

Building principals (10 months, Teachers' salary schedule plus $53, $70, $88, or $106 per month for 3, 4, 5, or 6 more teachers, respectively.

Principals (12 calendar months) . . . . $1,435 to $1,596 per month with 7 to 10 teachers to as high as $1,907 to $2,066 per month with 80 or more teachers. Amounts supplemented for additional training.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: 100 percent of calculated amount for allotted positions.

Local share: State pays total calculated amount. Expenditures in excess of State program are permitted but are local obligation.

Extent of participation:
County districts, 145 with an estimated 1,148,722 ADM.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
Superintendent (12 calendar months)	$1,743 to $1,887 per month for ADM of 1,499 or less, and $2,503 to $2,650 per month for ADM of 34,500 and up. Also, add $35 per month for advanced superintendent's certificate.	
Associate superintendent (12 calendar months) . .	$1,690 to $1,832 per month. Add $35 per month for advanced certificate.	
Assistant superintendent (12 calendar months)	$1,650 to $1,797 per month. Add $35 per month for advanced certificate.	
Supplement for appropriate doctorate	$141 per month.	
Base allotment . . .	Teaching positions are allotted to administrative units on the basis of ADM for the best continuous 6 months of the first 7 months. Positions are calculated in the four steps shown below for each LEA, but are allotted in one total for flexibility in assignment.	
Grades, 1-3	6 teachers for first 147 pupils, plus 1 teacher for each additional 26 pupils in ADM.	
Grades, 4-8	6 teachers for first 165 pupils, plus 1 teacher for each additional 29 pupils in ADM.	
Grades, 9-12	4 teachers for first 80 pupils for the first, Jr. or Senior high school, 3 teachers for first 60 pupils for each additional high school, and 1 teacher for each additional 30 pupils in ADM.	
Additional allotment to administrative units	1 position per each 15 base-allotted positions.	
Exceptional children .	Est. ($57,668,000) Teachers allocated to the various LEA's on an equal basis based on projected membership in each LEA and the number of teachers appropriated by the General Assembly for this purpose.	
Pupil Transportation	Est. ($45,215,329) Cost of pupil transportation on the basis of State standards.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Instructional materials . . . . $10.50 per pupil in ADM Est. ($11,602,000)	
Clerical assistance . $9.37 average per ADM Est. ($10,353,400)	
Superintendent's travel, clerical assistance, and office expense . . . $275 to $865 per year for travel and $8,395 to $55,118 for clerical assistance, and $400 to $1,300 for office expense, depending on ADM and type of district.	
Plant Operation . . . The amount allotted is an average of $945.34 per regular allotted teaching position. Funds for fuel, which are included vary according to geographical area.	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Exceptional Children . . See Basic Support Program	
INSTRUCTION AND TRAINING FOR TRAINABLE MENTALLY HANDICAPPED CHILDREN FUND (Art. 36 of Ch. 115 of the General Statutes and State Board of Education Policy $8,041,374 (0.74%)	State share: 100 percent of calculated amount. Local share: All additional costs not covered by this distribution. Extent of participation: 96 school districts.
VOCATIONAL EDUCATION FUND (Art. 27 of Ch. 115 of the General Statutes and State Board of Education Policy) $54,560,834 (5.02%) Amount of supervisors and teachers' salaries for vocational education plus allowable expenses for travel and for teaching materials and equipment for Vocational Education programs. Federal funds amounting to $12,047,641 are in addition to State appropriations.	State share: Appropriated amount. Local share: All costs not covered by reimbursement. Extent of participation: 145 school districts.
DRIVER TRAINING FUND (Sec. 20-88.1 of the General Statutes and State Board of Education Policy) $14,373,745 (1.31%) Distribution based on local plans for training and State-approved budget.	State share: 100 percent of calculated amount. Local share: None required. Extent of participation: 145 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

PUPIL SUPPORT SERVICES

Transportation . . . See Basic Support Program

Instructional materials . . . . See Basic Support Program

SCHOOL BUS FUND (Art. 22 of Ch. 115 of the General Statutes and State Board of Education Policy) — $11,072,864 (1.02%)

Cost of replacing buses. County school units must pay for original bus for each approved bus route.

State share: 100 percent of cost.

Local share: None of replacement cost.

Extent of participation: 145 school districts.

FREE TEXTBOOK FUND (Art. 25A of Ch. 115 of the General Statutes and State Board of Education Policy — $10,855,117 (1.00%)

Elementary school . . Basal books as needed.

High school . . . . . . $8.00 per pupil in ADM

State share: 100 percent of calculated amount. State purchases and arranges distribution of books ordered by districts.

Local share: None required.

Extent of participation: 145 school districts.

EVERY PUPIL TESTING (State Board of Education) — $1,031,860 (0.10%)

State share: 100 percent of cost

Local share: None.

Extent of participation: 145 school districts.

CURRENT AID PROGRAMS, N.E.C.

PROFESSIONAL IMPROVEMENT OF TEACHERS' FUND (State Board of Education Policy) — $975,813 (0.09%)

Funds made available for locally administered or state arranged staff development shall provide for the continuing education and in-service development of public school personnel employed by boards of education and of other personnel specifically authorized by state or federal legislation or the State Board of Education.

State share: 100 percent of cost.

Local share: All other program costs.

Extent of participation: 145 school districts.

NORTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Ronald M. Torgeson, Director, Information and Research, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 64 percent of State-local revenues for elementary and secondary public schools for 1978-79, including State tax revenues raised by the counties.
2. State funds were derived from appropriations for the 1977-79 biennium.
3. The State basic aid guarantee provides an estimated 70 percent of statewide expenditures per pupil.
4. The current foundation program became operational on July 1, 1977.

LOCAL SUPPORT

1. There are 341 fiscally independent school districts in State.
2. The State requires that counties levy a 20.5 mill tax for schools. In addition, the State requires counties to apportion among their school districts county severance taxes on coal, oil, and gas. District school taxes are derived solely from property taxes.
3. For 1978-79, an estimated $65.3 million were raised in district school revenues. Of this amount, $14.3 million constituted the local share of the basic support program.
4. A 24 mill district levy limit may be exceeded with voter approval.
5. A district's debt limit is equal to 10 percent of its assessed baluation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

TOTAL $119,111,515 (100%)

BASIC SUPPORT PROGRAMS

STATE SCHOOL AID, Chapter 15-40.1 $ 91,000,000 (76.40%)

Revenue for the State Foundation Aid Program comes from the State General Fund, a twenty-one (21) mill county levy and a twenty mill school district levy. Payments are made to school districts on the basis of current fall enrollment or the previous year's A.D.M. whichever is greater. A weighting factor is applied to compensate for sparsity of population and increased cost; the weighting factor is multiplied by the number of pupils to determine the number of weighted pupil units; the number of weighted pupil units is then multiplied by the 1978-1979 base payment of $850.00 to determine the total payment to the school districts.

Elementary School	Weighting Factor	Weighted Pupil Payment (Weighting Factor x $850)
Pre-school Sp. Ed.	.49	$ 416.50
One-Room Rural	1.30	$1105.00
Graded Elem. less than 100 students	1.00	$ 850.00
Graded Elem. 100 - 999 students	.90	$ 765.00
District of 1000 or more students	.95	$ 807.50
7th and 8th Grade students	1.00	$ 850.00
High Schools		
Grades 9-12, 1 to 74 students	1.70	$1445.00
Grades 9-12, 75 to 149 students	1.40	$1190.00
Grades 9-12, 150 to 549 students	1.32	$1122.00
Grades 9-12, 550 or more students	1.20	$1020.00

The amount of the per pupil payment is set by the legislature for each year of the biennium. The maximum amount of State dollars paid to any district during the 1977-1978 school year was $664.28 as compared to a base payment of $775.00. The payment was made to one (1) district which has an enrollment of 291 students. The minimum amount of State dollars paid any district during 1977-1978 was $166.58. Only one district with an enrollment of 194 students received the smallest amount of State dollars per pupil. No school districts are receiving basic aid under a hold harmless guarantee. No limitation is placed on the number of weighted pupil units a district may have for calculating the basic aid.

State Share: The State share consists of general fund money and the revenue from a required county levy. A 21-mill county tax is levied of which 20.5 mills is earmarked for the State Foundation Program.

Local Share: A 20.0 mill local tax is levied on the assessed valuation. The estimated payment for the 1978-1979 school year consists of revenues from the following sources:

State General Fund	$ 90,995,400.00	(75.8%)
County Levy	$ 14,830,000.00	(12.3%)
School District Levy	$ 14,332,300.00	(11.9%)
Total	$120,157,700.00	

The State share consists of receipts from a 20.5 county levy and State General Fund revenues to make up approximately 88 percent of the State aid payment to school districts. Approximately 12 percent of the payment comes from a school district levy of 20 mills.

Extent of Participation: Three hundred eight (308) school districts participate in the State School Foundation Aid Program. These school districts enrolled 125,085 students during the 1977-1978 school year.

TUITION FUND $6,541,535 (5.49%)
(Title 15, Ch. 44, Sec. 01-3, N.D.C.C.)

Nonrestricted school use . . . . . Amount per child, 6-17 years of age, inclusive. Based on census of children taken in odd-numbered years.

State Share: 100 percent of calculated amount distributed is income of State permanent school fund, fines, and penalties.

Local Share: None

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

SPECIAL EDUCATION FUND $6,103,000 (5.12%)
(Title 15, Ch. 59, Sec. 05-11, N.D.C.C.)

Cost of providing service not to exceed one and one-half times the State average per pupil cost per participant child for instruction and two times the State average cost per pupil for transportation, equipment, and residential care. Allowance varies for different kinds of exceptionality.

State Share: 100 percent of calculated amount as funds allow. The State share covers approximately 44 percent of costs.

Local Share: All costs not covered by reimbursement.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
VOCATIONAL EDUCATION FUND $ 5,317,977 (4.46%) (Title 15, Ch. 20.1, Sec. 06, N.D.C.C.) Cost of approved program and application	State Share: Percent of cost as funds allow. Federal funds are provided in addition to the amount of State aid listed and amount to $2,150,000. Local Share: All costs not covered by reimbursement. Extent of Participation: 308 school districts.
PUPIL SUPPORT SERVICES	
TRANSPORTATION $ 9,539,000 (8.01%) School bus capacity of 17 or more 34¢ per mile + 15¢ per pupil per day transported. School bus capacity of 16 or less 17¢ per mile.	State Share: Appropriated amount. Local Share: Balance of costs Extent of Participation: 308 school districts.
SCHOOL LUNCH MATCHING PROGRAM $ 610,000 (0. 5%)	
CAPITAL SUPPORT PROGRAM	
STATE SCHOOL CONSTRUCTION FUND Loan Fund: $10,123,000 NDCC 15-60 School districts must have outstanding bonds in an amount equal to at least 10 percent of the assessed valuation, and a building fund levy of 20 mills, and need the money requested for classrooms. The requested loan funds may not be used for auditoriums or gymnasiums, except where an entire school plant is being constructed.	State Share: 100 percent of approved amount up to 30 percent of taxable valuation or one (1) million dollars whichever is less. The amount of loans outstanding as of July 1, 1978 was $8,292,452. Local Share: School districts must repay the loan from a building fund levy which varies from 10 to 20 mills depending on the size of the loan. Interest is charged at the rate of 2.5 percent. Extent of Participation: 48 school districts have loans from the State School Construction Fund.

OHIO

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Warren G. Russell, Office of Legislative Liason, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 43 percent of State-local revenues for elementary and secondary public schools were provided by the State.

2. State funds for public schools are derived solely from general revenue fund biennial appropriation.

3. A 10 percent property tax rollback and Homestead Exemption amounting to approximately $180,000,000 was provided in the 1978-79 school year.

4. A state revenue surplus enabled the State to reduce the phase-in period for implementing its basic aid formula. As a result, the basic aid program was fully funded for the first time in FY 1979.

5. The State Foundation program guarantees an estimated 40 percent of the statewide average expenditures per ADM.

6. In 1979, Ohio sustained a major court suit challenging the constitutionality of its basic aid program.

   On June 13, the Ohio Supreme Court, in a 6-1 decision, affirmed the position of the state defendant in *Cincinnati Board of Education v. Walter* by upholding the constitutionality of the equal yield formula. In determining whether the formula violated the Equal Protection Clause of Article 1, Section 2 of the Ohio Constitution, the Court began with the initial premise that "unequal treatment of classes of persons by a state is valid only if the state can show a rational basis exists for the inequality, unless the discrimination impairs the exercise of a fundamental right or establishes a suspect classification." If the Court determines that the exercise of a fundamental right is impaired, the state must demonstrate a compelling interest to pass the test of strict scrutiny.

7. Effective January 1980 (Amended Substitute H.B. 44), school districts are prohibited from closing schools for lack of financial resources. Such districts must apply to the State Loan Board if commercial banks refuse to make loans. Under S.B. 59, as amended, school districts are empowered to propose district income taxes up to 1 percent of personal income to repay loans.

LOCAL SUPPORT

1. The State has 616 fiscally independent districts, 87 county offices, and 49 joint vocational school boards.

2. The property tax is the sole source of district tax revenues.

3. For full participation in the basic aid program, the State requires a 20-mill levy. If a district's tax base rises as a result of reappraisal, the required levy amount remains unchanged, but tax rates are reduced by a tax reduction factor to yield this levy. An additional 10 mills may be levied locally as add-on incentive aid. The yield from each mill levied is guaranteed at $48 for the basic aid program and at $42 under the incentive aid feature. When a district's revaluation results in a tax credit and hence lower equalized millage, state aid is reduced for any incentive mills levied in the same proportion as the reduction in the number of mills levied over 20 mills. Hence, State aid for the incentive mills is not protected as is the aid amount under the basic aid program.

4. Local contributions to the basic State equalization program for 1978-79 were $1,862,247,607.

5. The State constitution requires the apportionment of a 10-mill county levy among local jurisdictions. Additional levies for school districts are subject to no rate or levy limitations but require voter approval. State law allows LEAs to levy emergency school taxes with voter approval for periods up to 5 years.

6. The debt limit for bonds is equal to 9 percent of assessed valuation for each school district.

STATE SUPPORT (Cont'd)

Under the traditional equal protection test, every statute is presumed constitutional until its constitutionality is shown beyond a reasonable doubt. Applying this test to the equal yield formula, the Court found"... that local control provides a rational basis supporting the disparity in per pupil expenditures in Ohio's school districts. This conclusion is valid from an historical point of view and is also supported by conventional wisdom concerning educational policy. In addition to allowing people within a school district to determine how much money they are willing to devote to education, local control allows for local participation in the decision-making process that determines how these local tax dollars will be spent. Each school district can develop programs to meet perceived local needs."

7. Am. H.B. 920, effective June 1975, provides for a sexennial reappraisal and a triennial update of all real property in Ohio.

   Am. Sub. H.B. 828, effective March 10, 1978 provides for a reduction in assessment of tangibles from 42 percent of values in 1979 in a step-down basis to 35 percent in 1984.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$1,519,903,775 (100%)

BASIC SUPPORT PROGRAMS

FOUNDATION PROGRAM FUND	$ 852,833,471 (56.11%)

1. Kindergarten Average Daily Membership (ADM)
2. ADM of grades 1-12, part time students, academic Full Time Equivalency (FTE) of vocational students and 25% of pupils attending joint vocational schools. The ADM count is the average daily membership of the first full week in October, 1978.
   The following are not included on line 2:
   a. Approved vocational FTE
   b. 75% of joint vocational schools ADM and contract ADM
   c. All approved deaf, blind, emotionally disturbed, crippled, neurologically handicapped, and educable mentally retarded ADM
3. Total basic ADM is ½ of line 1 plus line 2 unless the average of the ADM for the current year and the 2 immediately preceding years is larger, then the average is used as the basic ADM.
4. Equalized taxable value. Item 4 is calculated as follows:
   a. For counties that completed a sexennial reappraisal or update of real property values in the second or third preceding tax year the Commissioner of Tax Equalization determines the percentage by which the property, including public utility real property, would have been increased in each class had such reappraisal or update of values been completed in the preceding tax year.
   b. The preceding year's taxable value of each class of property, including public utility real property, in each county in which the school district has territory is then increased by the appropriate percentage increase as determined under "a" or "b".
   c. The equalized taxable value is the sum of the product as computed in "c" and the taxable value of tangible personal property, subject to taxation by the district for the preceding tax year.
   d. In counties that complete a reappraisal or update of values in the current year the equalized taxable value is recomputed prior to December 31 by the Commissioner using two thirds of the increase for each class of real property as reflected in the abstract of real property taxable values filed for the current year.
5. Equalized millage rate (not less than 20). Item 5 is calculated as follows:
   a. Multiply the preceding year's taxable value of real property, including public utility real property, by the effective current operating millage rate. The effective rate is the total levied rate reduced by the tax reduction factor applied to voted millage.
   b. Multiply the preceding year's taxable value of all tangible personal property including public utility personal property by the current operating millage before reduction.
   c. Divide the total taxes charged and payable as determined under "c", by the equalized taxable value. The quotient obtained is the equalized mills. A district with more than 20 equalized mills up to and including 30 is eligible for an amount computed in Item 8a.
6. Equalized valuation per pupil--Item 4 divided by Item 3.
7. Local yield per pupil mill--Item 6 divided by 1,000.
8. State Basic Aid
   a. If Item 7 exceeds $48.00, Items 8-1 and 8-2 will be zero.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: The Formula provides $48.00 per pupil for the first 20 equalized mills and $42.00 per pupil for each equalized mill exceeding 20 with a limitation of 10 mills. The per pupil amounts are a combination of state and local monies. The state's share is dependent upon the local yield per pupil. (See Item 7) The greater the local yield per pupil the less the state contributes.

A guarantee of no less than the basic state aid received in FY-1977 or FY-1978 is provided for those school districts that have a very high local yield per pupil.

Local Share: A minimum levy of 20 mills.

Extent of Participation: 611 districts receive equalization aid. Of these, 160 districts receive aid under the hold harmless provision. 5 districts receive no basic aid.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

(1) Multiply $48 minus Item 7 by Item 3 times 20

(2) Multiply $42 minus Item 7 by Item 3 times equalized millage over 20 (but not more than 10)

b. The sum of 8-1 and 8-2 equals the total amount of State Basic Aid.

9. Basic State Aid (FY 1979)

10. FY 1979 Entitlement (Item 8 minus Item 9 x 100.00% plus Item 9).

11. Basic Support (Larger of Item 9 and Item 10).

12. Adjustments (Section 3317.023): (larger of line 11 or Line 13B/LNB = Pct on LN 12A, B&C).

a. Number of classroom teachers X100.00%

b. Training and experience of classroom teachers X100.00%

c. Educational Service Personnel X100.00%

d. County Board of Education Deduction (See line 23 below) ($12,906,521)

13. a. Line 11 plus line 12 adjustments

b. FY 77 Guarantee (Section 30 of AM Sub. S.B. 221)

c. FY 78 Guarantee (Section 48 of Am. Sub. S.B. 493)

d. Basic Support (largest of Line 13A, Line 13B, or Line 13C) X100.00%

APPROVED VOCATIONAL UNITS $102,596,760 (6.75%)

14. Minimum State salary plus 15% plus $4,000 per approved vocational unit. (Includes Proprietary ADM of 255 x 1276.32)

a. Item 13 divided by Item 3 x 105% x FTE.

b. Larger of Items 14a or 14b. x 100%.

SPECIAL EDUCATION $142,844,572 (9.39%)

Items 15 and 16	line 15	22,813,622
	line 15(a)	213,208
	line 16	119,817,742

15. Minimum State Salary allowances for approved child study, occupational or physical therapy, speech and hearing, Special Education Supervisors, Special Education Coordinators, plus 15% plus $870 x 94.544.

a. Line 15 divided by line 3 x 105% x Special Education ADM enrolled in such classes. Gifted units 19.53 x minimum state salary plus 15% plus $870 x 97.995%.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

16. An allowance for approved deaf, blind, emotionally disturbed, crippled, neurologically handicapped, and educable mentally retarded units. Minimum State salary plus 15% plus $4,540 per approved unit X 94.522%.

17. Approved Extended Service X 100% $ 5,425,676 (0.35%)

(State minimum salary allowance for certificated personnel that work beyond regular school year). Amounts paid are limited to appropriations for each year.

18. PUPIL TRANSPORTATION $ 71,371,191 (4.69%)
(Section 3317.024, Ohio Revised Code)

A. Board Owned Vehicles: The greater of $39.00 per pupil or .35 per mile.

B. Contractor Owned Vehicles:

The greater of $43.00 per pupil or .39 per mile

C. Public Utility: $60.00 per pupil per year

Eligible non-public pupils are transported by public school districts under the same reimbursement formula.

19. DISADVANTAGED PUPIL IMPACT AID $ 40,140,639 (2.64%)

The percent in dollar amount for each eligible district is computed in accordance with the following schedule.

Percentage of Total Average Daily Membership (Previous Year ADM)	Allotment of State Aid Per Pupil in Total Daily Membership Minus 1/2 of Kindergarten ADM (Current Year)
Less than 10%, but more than 500 ADC children	$ 7.50
At least 10%, but less than 14.5	7.50
At least 14.5%, but less than 18.5%	24.50
At least 18.5%, but less than 22%	53.50
At least 22%, but less than 26.5%	65.00
At least 26.5%, but less than 31.5%	71.50
At least 31.5%, but less than 38.5%	85.00
At least 38.5%, or more	98.00

A district's entitlement is available as general aid and is not earmarked for programs for disadvantaged children.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
20. TOTAL CATEGORICAL PROGRAM FUNDING (Sum of lines 14c, 15, 16c, 17, 18, and 19)	
21. Line 13c + Line 20.	
22. Other Guarantees a. Reappraisal -- A district will receive no less monies than it received in the year prior to reappraisal. This guarantee is for a one year period. b. Consolidation - A participating district receives no less aid than it received in the year of consolidation. This guarantee is for a period of three years. c. For FY 1979 -- Each district was guaranteed a 10% increase over the amount received in FY 1978.	
23. Total State Support: Larger of Item 21 minus 12d or line 22. ($1,215,212,299)	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education - See Basic Support Program	
Vocational Education - See Basic Support Program	
DRIVER EDUCATION (Sections 3301.17, 3317.024 Ohio Revised Code) $ 8,750,000 (0.57%	
$50 times the number of pupils completing an approved program. Total amount cannot exceed actual district costs. Driver Education - See also current aid programs, N.E.C.	State share: Limited to $50 per pupil during fiscal 1975-76. Local share: Difference between State subsidy and actual cost. Extent of Participation: 614 school districts.
DISADVANTAGED PUPILS (section 3317.024, Ohio Revised Code) $ 32,670,652 (2.14%)	
Per pupil amount times the number of Aid to Dependent Children (ADC), recipients between 5 and 17 years of age, inclusive, in eligible districts. Cannot exceed $200 per pupil. In order to qualify, a district must have at least 50 residents between 5 and 17 years of age, inclusive receiving Aid to Dependent Children or such residents equal to 5% of the district ADM.	State share: Cost of approved program. Local Share: Any additions beyond approved program. Extent of Participation: 461 school districts.
ADULT BASIC LITERACY (Section 3317.06, Ohio Revised Code) $ 930,000 (0.06%)	
Per pupil amount times the number of eligible pupils enrolled in each district. Eligible pupils are those over 16 years of age with less than an 8th grade education or who have difficulty in use of the English language. Per pupil amount is determined by dividing the number of eligible pupils into appropriated amount.	State share: Limited to the amount calculated and total appropriation. State portion meets matching fund requirement of 10 percent to receive Federal funds. Local share: Program costs beyond the per pupil amounts from State and Federal funds.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
ADULT HIGH SCHOOL (Section 3313.53, Ohio Revised Code) $ 500,000 (0.03%) Used for reimbursement to school districts @ $5.00 per instructional hour for adult high school continuation programs.	State Share: Limited to $5.00 per instructional hour. Local Share: Cost beyond state subsidy and fees charged.
ADULT VOCATIONAL (Sections 3313.53 and 3313.64, Ohio Revised Code) $ 3,461,252 (0.23%)	State Share: Limited to appropriation. Local Share: Amount in excess of State and Federal subsidies.
POST SECONDARY VOCATIONAL (Sections 3313.52, 3313.53(A) and (B), and 3313.531, Ohio Revised Code) $ 2,721,230 (0.18%)	State Share: Limited to appropriation. Local Share: Cost beyond Stateand federal subsidies.
CAREER DEVELOPMENT $ 2,400,000 (0.16%) The amount is used to develop career motivation orientation, and exploration curriculum materials and to provide in-service education for teachers in order that career development will be an integral part of the total curriculum in kindergarten through tenth grade.	State Share: Limited to appropriation. Local Share: Cost beyond State subsidy.
Consumer Education. . . . . See Current Aid Programs, N.E.C.	
PUPIL SUPPORT SERVICES	
Transportation . . . . . See Basic Support Program	
EDUCATIONAL TELEVISION (Legislative Appropriation, H.B. 475) $ 2,478,000 (0.16%) State Board of Education enters into contracts with nonprofit corporations to provide services to boards of education.	State Share: Limited toannual appropriations of the cost of such contracts. Local Share: Per pupil cost beyond State contracts.
MEDIA CENTERS $ 270,000 (0.02%) An annual subsidy of $25,000 is made to each of the media centers throughout the State.	State Share: Limited to $25,000 for each media center. Local Share: Cost of operating centers over State and Federal subsidies.
SCHOOL LUNCH (Sections 3313.81, 3317.06, Ohio Revised Code) $ 8,177,262 (0.54%) State funds distributed to districts are used to provide matching funds to obtain Federal funds.	State Share: Entire cost of matching fund requirement. Local Share: Balance of cost in excess of Federal and State distributions.
Teacher Education - Inservice . . . . . See Current Aid Programs, N.E.C.	
Teacher Education - Preservice. . . . . See Current Aid Programs, N.E.C.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

DISTRICT CHARACTERISTICS

Disadvantaged Pupils Impact Aid . . . . . See Basic Support Program

PROPERTY TAX ROLLBACK $180,400,000 (11.80%)

Payment to districts to offset a 10 percent reduction in local school property taxes and homestead exemptions.

CURRENT AID PROGRAMS, N.E.C.

NON-PUBLIC AUXILIARY SERVICES (Sections 317.02, 3317.062, Ohio Revised Code) $ 44,400,000 (2.92%)

Per pupil amount calculated by dividing the annual appropriation by the number of Ohio resident pupils (grades 1-12) enrolled in non-public schools.

State Share: Entire cost of program.

Local Share: Districts are prohibited from spending local funds.

Extent of participation: 760 non-public schools.

TEACHER TRAINING INSTITUTES $ 510,000 (0.03%)

Contracts are negotiated with State University colleges of education to provide training in various curriculum areas.

State Share: Limited to contracted amounts and appropriation.

Local Share: None.

SPECIAL PURPOSES $ 5,122,080 (0.34%)

Assessment Advisory Committee	$ 50,000
Driver Education Administration	175,000
Consumer Education	100,000
Drug Education	100,000
Teacher Education - Inservice	100,000
Other	797,080
Department Administration	3,800,000

EMERGENCY LOAN FUND S.B. 493 (1978) $ 40,000,000

The loan fund is to be used by school districts which have exhausted all local revenues and face closing.

CAPITAL SUPPORT PROGRAM

BUS PURCHASE SUBSIDY (sections 3317.024 - 3327.01, Ohio Revised $ 11,901,000 (0.78%)

A percentage allowance is established for each district eligible to receive Foundation Funds. The amount of subsidy is limited to a percentage of the State ceiling price for various capacity buses. Ceiling price for each year is based on the average cost of the previous year.

State Share:

A. Based upon financial need as measured by the tax valuation per pupil in ADM, varies from 28% to 80%.

B. Districts receiving buses to provide transportation for non-public pupils are reimbursed 100% of the State ceiling price.

Local Share: Balance of cost.

Extent of participation: 611 districts.

OKLAHOMA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Murl Venard, Administrator, State Aid Section, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 57 percent of the State-local revenues for elementary and secondary public schools.
2. State public school aid is derived from annual appropriations and dedicated revenues. For the fiscal year 1977-78, legislative appropriations amounted to $324 million. Dedicated revenues yielded the following amounts: auto licenses $65 million; gross production tax $15 million; school land earnings $8 million; miscellaneous sources (motor vehicle stamp, boat and motor license, mobile home license, REA tax and commercial vehicle licenses) $8 million.
3. The basic aid program guarantee amounts to 12 percent of the estimated statewide expenditures per pupil.
4. Aid for Library and Media Services is the only new program funded since FY 1976.
5. The State Board of Equalization now requires that each county assess its property between 9 percent and 15 percent of market value. Compliance must be assured within a three year period.

LOCAL SUPPORT

1. There are 456 independent and 167 dependent school districts.
2. Property taxes are the sole source of locally raised revenues. Counties are required to provide 75 percent of a 4 mill levy to their school districts. In addition, counties must apportion to school districts a part of their receipts from State dedicated revenues.
3. In 1977-78, local school districts raised $298 million and included the required 4 mill county levy ($21 million) and county apportionments ($4 million). Also included were $69 million raised for capital outlays and debt service. The required local contribution to the foundation program amounted to some $79 million in that year.
4. The State requires a minimum levy of 15 mills for participation in the basic support program. An additional 5 mills may be levied by school boards without voter approval. Annual voter approval is required for levies over 20 mills up to 35 mills, which is the maximum rate limit.
5. A district's debt limit is equal to 10 percent of its assessed valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.			Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL	$369,120,630 (100%)		
BASIC SUPPORT PROGRAMS			
FOUNDATION PROGRAM AID (Title 70, Art. 18, Sec. 109, O.S. 1971, As Amended by H.B. 1001, Sec. 22, 1977)	$ 77,061,558 (20.88%)		
Elementary and Secondary		Each district is guaranteed a minimum base support level of $300 per elementary ADA for the preceding year and $360 per secondary ADA for the preceding year. The Foundation Aid is determined by subtracting the amount of the required local contribution from the cost of the minimum program portion and adding to this amount the cost of the flat grant portion.	State share: Calculated amount minus local share. Local share: 15 mills times district's net assessed valuation; 75 percent of county 4-mill levy; auto license and farm truck tax collection; gross production tax collection; rural electric cooperative tax collection; school land collection. Extent of participation: 623 districts.
Flat Grant Portion:			
a) Special Education	($14,792,354)		State share: $6,000 for the continuation of each special education program. Local share: All costs in excess of State contribution. Extent of participation: 359 districts.
b) Vocational Agriculture	($ 1,797,600)		State share: $4,200 reimbursement for each approved vocational agriculture teacher. Local share: All costs in excess of State contribution Extent of participation: 428 districts.
c) Other Vocational Education . .	($ 2,040,180)		State share: $2,500 reimbursement for each approved vocational education teacher. Local share: All costs in excess of State contribution Extent of participation: 623 districts.
d) Pupil Transportation	($15,260,229)		State share: Transportation entitlements are based on a scale of transported pupils per square mile. Allowances range from a high of $167 per capita to a low of $33 per capita. Local share: All costs in excess of State contribution Extent of participation: 623 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

INCENTIVE AID
(Title 70, Art. 18, Sec. 113,
O.S. 1971, As Amended by
S.B. 454, Sec. 7, 1978)

$107,187,677 (29.04%)

To equalize payments based upon the district's local tax base and willingness to provide maximum local support . . . .

Incentive Aid for 1978-79 is based on the following calculations:

1. District valuation per ADA is divided by the statewide valuation per ADA ($9,646 in 1978-79) to give district wealth ratio.
2. District wealth ratio x .550 gives the local support ratio.
3. 1.000-local support ratio gives the State support ratio. (However, the minimum State support ratio is .415 and the maximum ratio is .835)
4. State average yield per mill ($9.646) divided by .550 equals the guaranteed support level ($17.54 per mill)
5. $17.54 times State support ratio for each district equals the State support per mill for the district.
6. State support per mill times the mills levied above 15 equals the State matching grant.
7. Matching grant times the district A.D.A. = Incentive Aid.

State share: Calculated matching ratio times General Fund mills levied in excess of 15 mills.

Local share: The yield of General Fund mills levied in excess of 15 mills.

Extent of participation: 623 districts.

GUARANTEED MINIMUM REVENUE
(H.B. 1001, Sec. 12, 1977,
Pursuant to Title 70, Art. 18,
Sec. 101 and 118)

$ 4,360,000 (1.18%)

Guarantees a General Fund per capita amount of $800 minimum revenue from all sources.

State share: Guarantee minus required local levy.

Local share: Revenue from required maximum levy.

Extent of participation: 67 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
ALLOCATION GUARANTEE (Title 70, Art. 18, Sec. 112, O.S. 1971) $ 250,000 (0.07%)	
Hold-harmless . . . . Guarantees that any school district qualifying for less State aid under the new formula than it did in 1970-71 will receive the difference between the two from these funds.	State share: 100 percent of calculated amount. Local share: None. Extent of participation: 17 districts
TEACHER SALARY INCREASE FOR FY 1979 $29,015,280 (7.86%) These funds were appropriated to provide for the salary increase for FY-79 of $900.	State share: 100 percent for number of teachers qualifying. Local share: None.
EMPLOYEES SALARY INCREASE (H.B. 1001, Sec. 15, 1977) $126,761,576 (34.34%)	State share: $171.02 times ADA. Local share: Costs above State allocation.
ADJUSTED TEACHERS SALARY INCREASE FOR FY 1978 $ 1,181,000 (0.32%)	
SCHOOL SUPPORT PERSONNEL FOR FY 1979 $ 4,400,000 (1.19%) Provides for a salary increase and/or fringe benefit for each fulltime support personnel employee.	State share: 100% Local share: None Extent of participation: 623 districts
MID-TERM ADJUSTMENTS (S.B. 482, Sec. 4, 1978) (Increased Attendance) $ 2,500,000 (0.68%) An adjustment providing additional State aid for schools with an increase in average daily attendance. For districts which have had an increase in ADA over the preceding year of 26 ADA; or 2% of the first 10,000 ADA plus ½ of 1% of the next 20,000 ADA plus ¼ of 1% all over 30,000 whichever is greater.	State share: 100 percent of approved amount of supplemental appropriation. Local share: None. Extent of participation: 93 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
COUNTY SUPERINTENDENT SALARIES $ 209,285 (0.06%)	State share: 100 percent of calculated amount. Local share: All costs in excess of State contribution. Extent of participation: 60 districts
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education . . . . See Basic Support Programs	
NEW SPECIAL EDUCATION CLASSES AND GIFTED AND TALENTED (H.B. 1001, Sec. 14, 1977, Pursuant to Title 70, Art. 18, Sec. 112, O.S. 1971) $2,260,000 (0.61%) The fund is limited to new classes for the State for the 1978-79 school year.	State share: For every new special education class the district provides in 1978-79 in excess of the number of such classes in 1977-78, the district is entitled to $6,000 per class including gifted and talented. Local share: Difference between State grant and actual cost.
REGIONAL EDUCATION SERVICE CENTERS (H.B. 1001, Sec. 20, 1977) $3,590,000 (0.97%) Funds shall be used to establish, operate, and maintain psychological educational evaluation and prescriptive teaching units. Centers are designed for gifted and talented children and for special education pupils.	State share: 100 percent approved amount. Local share: All costs in excess of State contribution. Extent of participation: 20 centers
HOMEBOUND EDUCATION (H.B. 1001, Sec. 11, 1977) $ 800,000 (0.22%)	State share: Provide a payment to the teacher at $6 per hour for 3 visits per week, 1 hour each visit plus 6 cents per mile. Prorated at 96%. Local share: Excess cost.
Vocational Education . . . . See Basic Support Program	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL SUPPORT SERVICES		
Transportation	See Basic Support Program	
ELEMENTARY COUNSELING (H.B. 1001, Sec. 19, 1977)	$ 1,720,000 (0.47%)	State share: Qualifying school districts shall be allocated $5,000 for establishing elementary counseling programs. Local share: All costs in excess of State contribution. Extent of participation: 334 districts
TEXTBOOK FUND (H.B. 1001, Sec. 13, 1977, Pursuant to Title 70, Art. 18, Sec. 112, O.S. 1971)	$ 6,000,000 (1.63%)	
Purchase of Textbooks	Districts must use books from State adopted lists.	State share: Funds are allocated to school districts for grades 1-12 on the basis of $7.90 per pupil enrolled. Local share: Excess cost. Extent of participation: 623 districts
LIBRARY MEDIA IMPROVEMENT	$ 300,000 (0.08%) Awards are based on project application.	
SCHOOL LUNCH PROGRAMS	$ 1,524,254 (0.41%) Allocated for the administration of the school lunch program and compliance with the National School Lunch Act, Public Law 396, of the 79th Congress of the United States, and the Child Nutrition Act of 1966 and Public Law 91-248.	State share: Distributed to match Federal funds. Local share: None. Extent of participation: 623 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TRANSPORTATION REVOLVING FUND (Title 70, Ch. 31, Sec. 19-9, Laws of 1949) $ 91,424 This fund is used by the State Board of Education to purchase buses for districts which are not in a position to buy them. School systems must be in urgent need of school buses to transport children and must submit evidence that they are not in financial position and do not have the bonding capacity to purchase buses.	State share: Pay cost of buses; and are reimbursed by school district. Local share: Repays State loan over a period of 5 years.

OREGON

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Jan Clemmer, Coordinator, Statistical Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 30 percent of the State-local revenue for elementary and secondary public schools.

2. Appropriations for the 1977-79 biennium provided all of the State school aid funds, except for income from the Permanent Endowment Fund.

3. The State guarantee under the equalization aid program varies among districts according to actual operating expenses to a maximum of $1,671 per A.D.M.

LOCAL SUPPORT

1. There are 330 fiscally independent school districts in the State.

2. District revenues are derived solely from property taxes. In addition, counties must levy for school purposes, the lesser of: 1) the minimum amount required in 1965-66, or 2) $10 per capita for children between the ages of 4 and 20. Counties must also apportion to school districts a portion of their Federal forest reserve receipts and some of the proceeds from fines and forfeitures.

3. Local contributions to the basic equalization program amounted to $45.5 million. An estimated $517.5 million were raised in addition.

4. Voters are required to vote annually on district levies. There is no maximum tax rate or levy limit.

5. The district debt limit is limited to a portion of true cash value of taxable property in the district and equal to .55 of one percent for each of grades K-8 and .75 percent for each of grades 9-12.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $373,035,454 (100%)	
BASIC SUPPORT PROGRAMS	
BASIC SCHOOL SUPPORT FUND $216,496,580 (58.04%) Basic Grant Portion (ORS 327.006-327.200) Each district receives an amount equal to 30% of its approved program. The range in approved district programs to which the 30 percent guarantee applies is from $979 to $1,671.	State Share: 100% of calculated amount Local Share: No required local share. Extent of Participation: 330 districts, 455,182 ADM
BASIC SCHOOL SUPPORT FUND $100,737,146 (27.01%) Equalization Portion (ORS 327.006-327.200) The approved program is a district's actual net operating expenditures up to a maximum equal to the estimated statewide average net operating expenditures per pupil in the year prior to the year of distribution ($1,671.03 per resident ADM for 1978-79). A slightly higher program level is approved for elementary or high schools with an ADM of less than 100.	State Share: Calculated amount minus local share Local Share: Local district contributions include (a) the sum the district's receipts from Federal Forest Fees and the Common School Fund; and (b) the product of the district equalization rate multiplied by the district's adjusted cash value. The equalization rate varies between districts in direct proportion as their approved program varies. The Department computes the highest uniform rate per $100 of approved program that will distribute the equalization dollars available. The uniform rate will be used in computing each district's equalization rate by the following formula: District approved Program per ADM ÷ 100 x Uniform Rate = District Equalization Rate The higher a district's approved expenditure, up to $1,671, the higher its equalization rate. For districts spending over that amount, with the exception of those approved as small schools, the equalization rate is limited to the rate needed to provide $1,671. The full true cash value of taxable property of each district is adjusted to reflect the type of organization. Type of District — % True Cash Value Used Unified Grades 1-12 — 100% Elementary Grades 1-6 — 50% Elementary Grades 1-8 — 66 2/3% Union High Grades 7-12 — 50% Union High Grades 9-12 — 33 1/3% Extent of Participation: 207 districts, 391,789 ADM
COMMON SCHOOL FUND $5,000,000 (1.4%) (ORS 327.405 to 327.480) The Common School Fund, comprised of the interest arising from the Common School Fund and the revenue from designated school lands, is distributed by the State Land Board to the respective County Treasurers on the basis of the number of resident children in the county between the ages of 4 and 20. Each district receives the same proportion of the total available as the resident ADM of the district bears to the total resident ADM of the county.	State Share: Available amount. Local Share: None. Extent of Participation: 330 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAM	
HANDICAPPED CHILDREN FUND (ORS 343.221 to 343.307) $8,410,569 (2.26%) This fund is used to reimburse districts for the 30 percent of approved costs of educating handicapped children in preschool and/or grades 1-12.	State Share: Thirty percent of the approved cost of providing special education or an equal prorated share of funds available. Local Share: 70% of the approved costs or more if State funds are prorated. Extent of Participation: Approximately 160 school districts.
HANDICAPPED CHILDREN FUND Regional & Hospital Programs $13,129,812 (3.52%) This fund pays for 100% of the cost of State supported regional and hospital programs. The operating school districts are reimbursed on a contractual relationship.	State Share: All costs. District Share: None. Extent of Participation: Six agencies are operating the programs on contractual basis.
SPECIAL SCHOOLS (343.960) $3,000,000 (0.81%) The schools are administered by the districts in which they are located. The schools are predominantly for handicapped children, though neglected and delinquent children, and unwed pregnant pupils receive instructional services at some of these facilities.	State Share: 100 percent of the cost of operating 18 special schools. Local Share: None Extent of Participation: 11 school districts.
STUDENT DRIVER TRAINING FUND (ORS 343.710 to 343.740) $1,122,160 (0.30%) Classroom instruction and dual-controlled automobile	State Share: 90 percent of program costs up to $50 per pupil on completion are reimbursed. Local Share: 10 percent of cost of conducting program or amount above $50 per pupil completing the course. Extent of Participation: 160 school districts.
DISADVANTAGED CHILDREN (ORS 363.650) $1,000,000 (0.27%) Disadvantaged child payments to districts with at least 50,000 ADM for program for children who in their backgrounds are socially or culturally deprived to such a degree that without supplemental facilities and service they cannot profit in the regular school program to the same extent as children with normal backgrounds.	State Share: 100 percent or an amount equal to the total cost of the approved program or service provided. Local Share: None. Extent of Participation: 1 school district
PUPIL SUPPORT SERVICES	
BASIC SCHOOL SUPPORT FUND Transportation Portion (ORS 327.035) $19,781,865 (5.30%) Each district receives that proportionate share of the amount available for distribution as its approved cost for transportation (or board and room in lieu of transportation) bears to such approved cost in all districts, in the year prior to the year of apportionment. The total allocation is determined at 60 percent of the approved cost of transportation, and board and room in lieu of transportation of all districts in the second year preceding the year of apportionment.	State Share: Amount made available Local Share: All costs not reimbursed by the State. Extent of Participation: Most districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DISTRICT CHARACTERISTICS	
STATE TAX EXEMPT PROPERTY (STEP) -0- (ORS 327.660) Districts are reimbursed for educating pupils living on State tax-exempt property. The amount reimbursed is equal to the difference between the net operating expenditures per pupil plus reasonable cost of transportation, and the average receipts of the district per pupil from county, State and Federal sources.	**State Share:** Each district receives the local contribution portion of current costs per ADM. In the event sufficient funds are not available to reimburse the full amount, the district receives its prorated share. **Local Share:** No local share is needed if State fund is adequate.
BASIC SCHOOL SUPPORT FUND -- Growth and Decline Portion (ORS 327.042)	
Growth Portion $3,819,153 (1.02%) (nonrestricted use) District must actually demonstrate an increase in resident ADM between December 31 of the apportionment year and the district's resident ADM at the close of the previous school year. The district's entitlement is computed by dividing the district's basic grant by its resident ADM and multiplying by the amount of growth experienced as defined by law.	**State Share:** 100% of entitlement. **Local Share:** None. **Extent of Participation:** Approximately half of the school districts.
Decline Portion $538,169 (0.15%) (nonrestricted use) District must actually demonstrate a decline in resident ADM between December 31 of the apportionment year and the district's resident ADM at the close of the previous year. The district's entitlement is computed the same as growth except it only receives credit for 75% of its decline as defined by law.	**State Share:** 100% of entitlement. **Local Share:** None. **Extent of Participation:** Approximately half of the school districts.

PENNSYLVANIA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Harris W. Reynolds, Basic Education Associate, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 42 percent of the revenue of public elementary and secondary schools is provided by the State.
2. State aid is provided annually by appropriations.
3. About 80 percent of the State money distributed to public schools is allocated on the basis of the aid ratio. The aid ratio depends on the equalized valuation of local real property and personal income per resident weighted pupil in relation to the State average.
4. The State does not guarantee a uniform dollar amount per pupil. The State operates under a percentage equalizing formula with the maximum dollar guarantee reserved for districts with equalized millages 30 percent or more above the median. The State's share of the total reimbursable cost is based on the lesser of (1) the "actual expense" per weighted pupil or (2) a variable maximum. A district's maximum reimbursable amount is a function of the median instructional expenditure per WADM for the State and the district's equalized millage. It is estimated to vary from $920 to $1,120, payable 1978-79. In no case does a district receive for each WADM an amount less than ten percent of the actual cost or ten percent of the maximum for a district with that tax effort, whichever is the lesser amount.

LOCAL SUPPORT

1. The State has 505 fiscally independent school districts.
2. The real estate tax is the principle source of local revenue, providing 78 percent of such revenue for 1978-79. Other local tax sources and their share of local revenue were: income taxes (14%); special and delinquent taxes (6%); realty transfer taxes (1%); and per capita taxes (1%).
3. The tax levies of the first-class and first-class A districts are regulated by a number of special acts. The real estate tax for second-, third-, and forth-class districts is limited to 25 mills. Additional levy amounts are authorized to pay rentals due school building authorities, teacher salaries, liquidation of specified bond issues and approval of emergency projects. The class of a district is determined by the total population of the district as follows:

Class	Population
First Class	1,500,000 or more
First Class A	500,000 - 1,499,999
Second Class	30,000 - 499,999
Third Class	5,000 - 29,999
Fourth Class	4,999 or less

4. The district debt limit for a first class school district is limited to 200 percent of the borrowing base. For all other local governmental units including school districts, the debt limit is 35 percent of the borrowing base. These limits apply to new lease rental debt or nonelectoral debt. There is no limitations on debt issued by local government units and approved by majority vote.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $1,848,529,000 (100%)

BASIC SUPPORT PROGRAM

INSTRUCTION SUBSIDIES $1,354,260,000 (73.26%)
(Public School Code of 1949,
Secs. 2501, 2502, 2502.3 and 2592),
Act 59

	Aid Ratio WADMS
Half-day kindergarten	.5 weighted pupils per child in 1976-77 aid ratio ADM
Full-day kindergarten & elementary	1.0 weighted pupils per child in 1976-77 aid ratio ADM
Secondary	1.36 weighted pupils per child in 1976-77 aid ratio ADM
	Sudsidy WADMS
Half-day kindergarten	.5 weighted pupils per child in 1977-78 subsidy ADM
Full-day kindergarten & elementary	1.0 weighted pupils per child in 1977-78 subsidy ADM
Secondary	1.36 weighted pupils per child in 1977-78 subsidy ADM

Subsidy ADMS & WADMS have a penalty for schools in session less than the state mandated. Aid ratio ADMS & WADMS have no penalty. Subsidy WADMS are used as basis for calculating district entitlements when a district operates for less than 180 days.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Instructional Subsidies:
The base subsidy is the product of an aid ratio. times the 1977-78 subsid WADMS. The aid ratio is 60 percent of a 1975 market value aid ratio plus 40 percent of a 1976 personal income aid ratio. The market value and income aid ratios are each determined by dividing the respective measure of wealth per 1976-77 aid ratio WADM for the district by the same for the state, multiplying by 0.5 and substracting from 1.0000. The minimum aid ratio is 0.10000.

The maximum of the variable base is the median instructional expenditure per 1977-78 subsidy WADM to the nearest ten dollars and is applicable to those districts having an equalized millage during 1977-78 thirty per cent or more above the median. The other limits of the variable base are in four steps of $50, $100, $150 and $200 less than the median and applicable to districts of equalized tax effort of plus 15% to plus 30%, minus 15% to plus 15%, minus 30% to minus 15%, and 30% or more less than the median respectively.

A bootstrap provision sets the minimum reimbursable actual instructional expense per WADM at $200 less than the median for those districts whose equalized millage is within 15% of the median.

Each district is guaranteed that the amount payable per 1977-78 subsidy WADM shall not be less than the payments in 1971-72 for the base and any guarantee payment or bootstrap payment divided by the 1970-71 WADM.

Extent of participation
Foundation Program—All districts 505.

Density and sparsity—166 districts.

Poverty—505 districts.

Additional poverty—209 districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Population density and sparsity

Additional allowance per 1977-78 subsidy WADM in excess of $400 for districts which have a population exceeding 10,000 persons per square mile or less than 50 per square mile. Maximum reimbursable expenditure limit is $250 except districts with 1977-78 subsidy WADMS in excess of 50,000. Modified density is payable to those districts assigned a density payment for any year prior to 1969-70, and for any school year thereafter, which no longer qualify by reason of population per square mile, because of population change or merger with another school district. Modified sparsity is payable to those districts with a population 50 to 100 per square mile.

Low Income Families - Poverty Factor Children ages 5 to 17

Additional allowance per pupil (5-17) to district of residence of families having annual income less than $2,000 and families having annual income in excess of this amount but which receive state payments on account of children under Title IV of the Social Security Act.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share - Density and Sparsity
Actual expenditure (1977-78) per 1977-78 subsidy WADM in excess of $400 multiplied by 1977-78 subsidy WADMS and aid ratio or .375 whichever is greater. Minimum guarantee of $30 per WADM. Density districts with 1977-78 subsidy WADMS in excess of 50,000 receive 23 per cent of the actual cost of instruction per 1977-78 WADMS multiplied by the 1977-78 subsidy WADMS. A modified density payment shall be in ratio of its population per square mile to 10,000 of the amount to which it would have been entitled had its population per square mile exceeded 10,000. A modified sparsity payment shall be in the ratio of its population per square mile to 50 substracted from 2.00 and multiplied by the amount to which it would have been entitled had its population per square mile been less than 50.

State Share - Poverty Factor—Number of poverty children multiplied by $165 for first class districts and by $200 for all other districts. An additional payment for those districts whose poverty pupils are 15 per cent or more of their 1975-76 aid ratio ADM shall be made according to the following table.

15 - 19.9 per cent	$ 30
20 - 24.9 per cent	60
25 - 29.9 per cent	85
30 - 34.9 per cent	135
35 - over	150

Limitation of Certain Payments—No district shall receive for the base subsidy, plus density or sparsity, plus poverty, an amount in excess of 100% of its total approved reimbursable instructional expenditures for 1976-77.

Because of the $150,000,000 limit placed on increased costs resulting from 1978-79 subsidy formula changes, it is estimated that during 1978-79 the districts will receive .4115 of the increase.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
INTERMEDIATE UNITS (Public School Code, 1949, Article IX, Secs. 901-A through 921-A) $8,518,000 (0.46%) Established 29 intermediate units in lieu of the offices of the county superintendents to provide nine specified services some of which were formerly provided by the county offices and any additional services the member districts request and are willing to provide for the cost locally. Each district is assigned to an Intermediate Unit.	State Share Administration - The total payment for this subsidy shall be the product of the 1976-77 statewide median actual instruction expense per WADM and 0.0045 and the 1976-77 state aid ratio ADMS. Each IU shall receive the amount it received fro 1976-77 plus an additional amount. The additional amount shall be the ratio of its 1976-77 aid ratio ADMS to the state total ADMS times the portion of the 1978-79 total payment which exceed the 1976-77 total payment. Capital Subsidy - The total payment for this subsidy shall be the product of the 1976-77 statewide median actual instruction expense per WADM and 0.0003 and the 1976-77 state aid ratio ADMS. Each IU payment shall be computed by applying the ie aid ratio (the A.R. computed initially shall apply as a minimum for the duration of the lease) to each approved lease payment. No IU shall receive less on account of approved leases than it received for 1976-77. If the allocations for this subsidy do not satisfy lease reimbursement requirements, each IU shall receive a pro-rata share of the amount as determined above. Limitation - Because of the limit placed on increased costs resulting from subsidy formula changes, it is estimated that during 1978-79 the intermediate units will receive .39735261 of the increase the changes would provide over 1976-77 payments. Local Share—Member districts pay the balance if any. Extent of Participation—505 districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SUPPORT OF PUBLIC SCHOOLS—SPECIAL EDUCATION PROGRAMS (Public School Code of 1949, Secs. 1371, 1372, 1373.1, 509, and 509.1) $137,379,000 (7.43%) Amount expended per ADM in excess of the regular per ADM expenditure. District operated special classes.	State Share—The difference between the actual reimburseable expenditure per special pupil or the approved reimbursable expenditure per special pupil and the actual expenditure per regular pupil, whichever is less. Local Share—The regular program cost and any unapproved cost of the special program. Extent of Participation—It is estimated that 350 districts will participate in 1978-79.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Intermediate unit-operated special classes.	State Share—The difference between the approved tuition rate of the resident pupil and the actual instruction cost of the pupil attending special classes operated by the intermediate unit. Local Share—The approved tuition rate multiplied by the average equivalent full-time daily membership.
Department of Education operated special school at Scranton.	State Share—Balance of cost. Local Share—Resident district pays 25 per cent of tuition cost for children between 6 and 21. Extent of Participation—It is estimated that 81 districts will participate in 1978-79.
School districts providing helpers and/or supplies for children ages 6-21 handicapped by sight, hearing or cerebral palsy.	State Share—The aid ratio of the district multiplied by the cost of readers, helpers, guides, aids, appliances, special books, supplies and devices for any child age 6-21 who is blind, partially sighted, deaf, hard of hearing or afflicted with cerebral palsy. Local Share—All costs not covered by reimbursement. Extent of Participation—It is estimated that about 105 districts will participate in 1978-79.
Approved private schools for the education of the deaf, blind, cerebral palsied and/or brain damaged and/or muscular dystrophied and/or socially and emotionally disturbed and/or mentally retarded. Appropriation for 1978-79 is $28,000,000.	State Share—75 per cent of the statutory maximum cost of tuition and maintenance with a $8,500 maximum for resident pupils, $5,100 for day pupils who are blind, deaf, cerebral plasied and/or muscular dystrophied, and $4,100 for day pupils who are brain damaged and/or socially and emotionally disturbed and/or mentally retarded. For multihandicapped students, the maximum may be increased by up to 75% for the second severe handicap, 85% for the third severe handicap and 100% for more than three severe handicaps. 100% of the cost is paid by the state if the district of residence cannot be established or if person is under 6 or over 21 years of age. Local Share—Resident district pays 25 per cent of approved tuition for children ages 6 to 21. Extent of Participation—It is estimated that about 428 school districts will participate in 1978-79 at 43 institutions in Pennsylvania and 4 out-of-state.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
HOMEBOUND INSTRUCTION (Public School Code, 1949, Sec. 2510.1.)	$500,000 (0.02%)	State Share—$4 per hour multiplied by the district's aid ratio.
Mandated minimum hourly rate ($4 per hour of instruction).		Local Share—All costs not covered by reimbursement. Extent of Participation—It is estimated that 461 districts will participate during 1978-79.
STATE SCHOOLS AND HOSPITALS (Public School Code of 1949, Sec. 1926.)	$11,400,000 (0.61%)	State Share—The difference between the approved tuition rate of the resident pupil and the actual approved instruction cost of the pupil attending special classes operated by the intermediate unit.
By agreement with the Office of the Governor, the responsibility for the education of the children in the state schools and hospitals has been transferred from the Department of Welfare to the Department of Education.		Local Share—The regular program cost. Extent of Participation—Nine institutions.
VOCATIONAL EDUCATION (Public School Code of 1949, Secs. 1146, 1802, 2502, 2504, 2504.2, 2504.3, 2506, 2507, 2508.1, 2508.2 and 2508.3.)	$33,017,000 (.79%)	State Share $20/pupil in ADM - home economics $35/pupil in ADM - agriculture $35/pupil in ADM - industrial education $50/pupil in ADM - distributive education
On a per-pupil basis depending on program.		
Vocational extension and pre-employment training.		80 per cent of the compensation for vocational teachers, supervisors, and directors with a maximum of $4 per hour. Supervisor and director hours are limited to 20 per cent of the teaching hours.
Travel expense.		80 per cent of the approved travel costs of teachers, supervisors and directors of vocational education.
Area technical schools.		Up to 50 per cent of the expenditure for purchase and improvement of equipment.
Area Vocational-technical schools.		Approved per pupil cost in excess of actual instruction cost in regular high school program up to a maximum of $75 over the regular high school cost per pupil Local Share—All costs not covered by reimbursement. Extent of Participation—It is estimated that 504 districts and 76 AVTS will participate during 1978-79.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DRIVERS' TRAINING (Public School Code of 1949, Secs. 1519, 1519.1 and 2504.1.) $4,202,000 (0.23%) $35 per pupil completing the required approved program. $30 per pupil if public school provides behind the wheel practice driving and pupils receive classroom theory elsewhere. No reimbursement if only one phase is provided.	State Share—100 per cent of the calculated amount. Local Share—All costs in excess of state allowance. Extent of Participation—It is estimated that 481 districts will participate during 1978-79.
EDUCATION OF THE DISADVANTAGED (Act 54A of the 1965 Session of the Pennsylvania General Assembly.) $1,000,000 (0.05%)	State Share—The state provides ten per cent of the cost of federally funded programs to educate the disadvantaged. Local Share—All costs, if any, in excess of those borne by the state and federal government. Extent of Participation—It is estimated that 18 districts and 5 intermediate units will participate in 1978-79.
EDUCATION OF MIGRANT LABORERS' CHILDREN (Public School Code of 1949, Sec. 2509.2.) $100,000 (0.01%) Estimated cost of instructional services. Intermediate unit must have a summer program for children whose parents or guardians have seasonal agricultural employment outside of their regular domicile.	State Share—Approved estimate of the cost of operation of a planned summer school plus transportation for children. Said program may extend for 40 school days beyond the opening of the fall term. Local Share—None Extent of Participation—One intermediate unit and 26 school districts are expected to participate during 1978-79.
TUITION FOR NON-RESIDENT ORPHANS AND FOSTER CHILDREN (Public School Code of 1949, Secs. 1305, 1306, 2503 and 2509.1.) $8,750,000 (0.47%) Calculated tuition rate of the district of pupil attendance. Receiving school district will be paid a tuition fee by the state for providing education to nonresident orphaned children placed in private homes by court order and nonresident inmates of children's institutions.	State Share—100 per cent of the approved calculated tuition rate. Local Share—District of pupil attendance pays all costs in excess of this allowance. Extent of Participation—Nonresident child placed in home of resident, Section 1305. 380 school districts. Nonresident inmates of children's institutions, Section 1306. 85 school districts.
YOUTH DEVELOPMENT CENTERS (Public School Code of 1949, Sec. 1926.) $3,149,000 (0.17%) These centers are maintained for children under the jurisdiction of the juvenile court.	State Share—The entire cost is financed by the Commonwealth. Local Share—None

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL SUPPORT SERVICES	
PUPIL TRANSPORTATION . . . . $98,000,000 (5.30%) (Public School Code of 1949, Secs. 1306, 1312, 1331, 1361 1362, 1374, 2541, 2542, 2543, and 2509.1.)	State Share—Aid ratio multiplied by the approved cost plus a payment for excessive cost of transportation to be determined by subtracting from the approved cost the sum of the Commonwealth payment above, plus the product of ½ mill times the latest market value of the district provided such amount is not negative. No district shall receive less than 50% of the approved reimburseable costs of providing transportation under Section 1361 to nonpublic school pupils and under Section 1362 to pupils residing in certified hazardous areas. In addition, there is paid an annual depreciation charge per vehicle not to exceed $700 per year for district owned vehicles with total payments not to exceed the lesser of the approved cost of the vehicle or $10,500 per vehicle.
Transportation including vehicles purchased by school districts. Approved cost of contracted pupil transportation. Approved cost of district-operated transportation. The payment of board and lodging in lieu of transportation. Nonpublic school pupils are transported as well as public school pupils.	In lieu of transportation, the cost of board and lodging multiplied by the aid ratio may be paid. The state share is not to exceed $1 per day. Local Share—All costs not covered by reimbursement. Extent of Participation—It is estimated that 502 districts and AVT Schools will participate in 1978-79.
HEALTH SERVICES . . . . $11,810,000 (0.64%) (Public School Code, 1949, Secs. 1401 through 1422 and 2505.1. Also 1963, P.L. 1381.)	
Medical examination.	State Share—Cost not exceeding 80 cents per pupil examined multiplied by number of pupils with comprehensive health record.
Dental examination.	Cost not exceeding 40 cents per pupil examined multiplied by number of pupils with comprehensive health record.
School nurse.	Cost not exceeding $3.50 per pupil multiplied by number of pupils enrolled.
Dental hygienist.	In lieu of subsidy for dental examinations, the cost of an oral hygienist is paid not exceeding $1 per pupil enrolled multiplied by number of pupils enrolled.
Health examinations of pupils are made in grades K or 1, 6 and 11. Dental examinations of pupils are made in grades K or 1, 3 and 7.	Extent of Participation—It is estimated that 505 districts will participate during 1978-79
SCHOOL FOOD SERVICES . . . . $9,054,000 (0.49%) (Public School Code, 1494, Sec. 1337.)	State Share—At least eight per cent of the matching requirement required of the state for Section 4, federal funds apportioned Pa. by U.S. Department of Agriculture.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
	Local Share—None Extent of Participation—It is estimated that 529 school districts and/or area vocational-technical schools will participate during 1978-79.
DISTRICT CHARACTERISTICS Density and sparsity factors Low income families aid factors See Basic Support Program PAYMENTS IN LIEU OF TAXES . . . .$80,000 (0.01%) (Public School Code of 1949, Secs. 604, 905 and 2901.) The current tax rate x assessed valuation of land used for water conservation and flood control in a school district is paid by the Department of Education. Additional funds in lieu of taxes are paid by the Game Commission and Department of Environmental Resources for state forest land, game land and recreation land.	State Share—100 per cent of calculated amount. Local Share—None Extent of Participation—Seven school districts.
CURRENT AID PROGRAMS, N.E.C. SANITARY SEWAGE DISPOSAL PLANT . . . .$310,000 (0.02%) OPERATION (Act 339 of the 1953 Session of the Pennsylvania General Assembly.) Department of Environmental Resources reimburses school districts for the operation of sanitary sewage plants, when such plants are constructed and are part of the school building program.	State Share—Two per cent of approved cost of operating disposal plant. Local Share—All costs in excess of state allowances Extent of Participation—It is estimated that 266 school districts will participate.
CAPITAL SUPPORT PROGRAMS RENTALS AND SINKING FUND PAYMENTS . . . . $167,000,000 (9.04%) (Public School Code of 1949, Secs. 2572, 2574, 2575 and 2578.) Rentals help school districts with the charges of lease rental agreements with school building authorities. Sinking fund payments help with the amortization of general obligation bond indebtedness for school building construction. Elementary school (new buildings) . . . . . . $2,300 multiplied by the rated pupil capacity plus an amount not to exceed five per cent for pupil capacity, grading, site preparation and sewage plant. Secondary school (new buildings) . . . . . . $3,000 multiplied by the rated pupil capacity plus an amount not to exceed five per cent for grading, site preparation and sewage plant.	State Share—Capital account reimbursement fraction computed for the year 1967 or aid ratio, whichever is larger times reimbursable rental. Districts qualifying for density shall receive no less than 50 per cent of the approved reimbursable rental. Computation of quotient (Q) $Q = \frac{\$4,500 - (\text{market value per teaching unit} \times .004)}{\$4,500}$ Computation of Capital Account Reimbursement Fraction (CARF). Leases approved before March 22, 1956: If Q is .5999 or less, CARF = 50Q If Q is greater than .5999, CARF = Q^2 Local Share—All costs not covered by reimbursement.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
	Building plans must be approved by the Department of Education. New construction must conform with the State Board of Education plan for reorganization of school districts and the approved ten-year plan of projected district needs. District must possess the approved financial resources to meet its part of the cost. Need must be justified by an analysis of long-term enrollment projections and the number and condition of existing facilities.	Extent of Participation—It is estimated that 500 districts will participate in 1978-79.
Area vocational technical school (new buildings) . . .	$3,700 multiplied by the rated pupil capacity plus an amount not to exceed five per cent for grading, site preparation and sewage plant.	State Share—Participating members of area vocational schools are reimbursed 50 per cent of their reimbursable rental or the aid ratio times the reimbursable rental whichever is greater. Local Share—All costs not covered by reimbursement. Required for Participation—Program must be justified to and approved by the Bureau of Vocational Education.

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RHODE ISLAND

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Henry W. Stevenson, Jr., Assistant Commissioner, Office of Educational Finance, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 42 percent of the State-local revenues for elementary and secondary public schools.
2. State funds for public schools are provided through annual appropriations.
3. The State share ratio ranged from a guaranteed minimum of 30 percent to 72.3 percent of approved district expenditures.
4. New State school aid programs enacted since 1975-76 relate to the handicapped, specifically Chapter 130 of the Public Laws of 1976, Funding Educational Programs for Handicapped Children.

LOCAL SUPPORT

1. There are 40 fiscally dependent school districts in the State.
2. Local contributions to the basic equalization program amounted to approximately $147 million. Districts also provided an additional $17 million as local leeway revenue.
3. School budgets are approved annually at financial town meetings or by authorized local governments.
4. There is no maximum tax rate or levy limit.
5. There is no district debt limit. The approval of district voters and the General Assembly are required for new bond issues when local indebtedness exceeds 3 percent of assessed valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $117,747,858 (100%)

BASIC SUPPORT PROGRAM

SCHOOL OPERATION FUND (Current expense, grades K-12) (Title 16, Ch. 7, General Laws of 1956, as amended by Chapter 27 of the Public Laws-1960, Chapter 160, Public Laws-1967 and Chapter 198 of the Public Laws-1976.) $102,480,304 (87.03%)

School Operation

Amount expended for current expense. Districts must expend at least $900 per pupil in average daily membership for this purpose, including expenditure of State grants. District entitlements are based on actual expenditures of second prior year.

Consolidated School Districts ($252,370)

Two-percent increase in State share for each grade consolidated into a regional school district for first 2 years after consolidation. This supplement then reduced by .25 of 1 percent per grade per year down to an amount 4 percent above the normal ratio.

Service for Pupils in Nonpublic Schools

Also included are amounts for tuition payments for nonpublic school pupils residing in districts not maintaining public high schools, public transportation to nonpublic schools, health services to nonpublic school children. Loans of textbooks in mathematics, science, and modern foreign language may be included. There is no provision for nonpublic school pupils to be enrolled part time for special courses offered only in the public school or to be included in calculation of State aid.

Minimum Guarantee Est. ($7,296,300)

Minimum guarantee provides at least 30 percent of approved expenditures; no maximum limit.

Pupil Count

Resident average daily membership (radm) of prior year. Radm is adjusted for sparsity and is based on the districts resident public pupil membership. District nonpublic pupil membership is included if the total yields a larger state share ratio

Rhode Island State Aid Formula

$$S = 1.05 \times E \left[1 - 0.65 \times \frac{\dfrac{ewav}{radm \times \$900 + t_d}}{\dfrac{EWAV}{RADM \times \$900 + T_S}} \right]$$

Where:

S = State share entitlement which the district receives

E = Approved resident expenditures for the district for the reference year

0.65 = Factor which represents the approximate average district share of school support

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Steps for Computing State Aid

The first step is to develop a standard tax rate for the state which would be adequate to raise sufficient funds to meet the minimum mandated program of $900 expended per pupil.

1. The State RADM is multiplied by $900 and transportation costs are added to yield the cost of the basic program for the State. RADM is the resident average daily membership.
2. In order to determine the portion of support to be provided from local sources (essentially the property tax, the basic program for the State is multiplied by a factor (currently fixed at 0.6500) which represents on the average, the local program for the State.
3. This value, 65% of the basic program for the State (as computed in Step 2) is divided by the equalized weighted assessed valuation (EWAV) for the State to determine the State standard tax rate.

   The share ratios for each individual district are calculated by using the State standard tax rate and the local wealth factor (ewav) to determine the proportionate State/local share.
4. Determine the cost of the local basic program by multiplying the number of pupils in resident average daily memberships (radm*) in the district by the mandated minimum program level ($900) and add transportation costs.
5. Apply the State standard tax rate to the local equalized weighted assessed valuation (adjusted for median family income) to determine the local share produced by the standard tax rate.
6. The difference between the cost of the local basic program (step 4) and the local share produced by the standard tax rate (step 5) yields the proportion of the local basic program which will be provided by the State. This factor is known as the State share ratio for the district and by law cannot be less than 30.0%.
7. Net resident expenses eligible for State aid reimbursement are determined by subtracting from gross expenditures any payments received for tuition,

*An adjustment for sparsity based on average daily attendance is made currently for two small school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
\$900 = Mandated minimum program ewav = Equalized weighted assessed valuation for the district, adjusted for median family income EWAV = Equalized weighted assessed valuation for the State radm = Resident average daily membership for the district, adjusted for sparsity RADM = Resident average daily membership for the State, adjusted for sparsity t_d = Transportation cost for the district T_S = Transportation cost for all districts	payments under P.L. 874, and miscellaneous income from school operations such as athletic fees and reimbursements. Local Share: Est. \$147,471,000. Extent of Participation: 40 school districts with 169,868 RADM and 27,489 nonpublic RADM. Ten districts enrolling 24,321 receive State aid under the 30 percent minimum guarantee provision.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
PROGRAMS FOR HANDICAPPED CHILDREN (Title 16, Ch. 7, General Laws of 1956, as amended) \$4,000,000 (3.40%) The appropriation times the ratio which the handicapped children in the district bears to the State total of such children.	State Share: 100 percent of calculated amount. Local Share: None Extent of Participation: 40 school districts
VOCATIONAL EDUCATION (Title 16, Ch. 45, Section 7) \$342,000 (0.29%) For salaries of vocational coordinators and counselors	State Share: 100 percent of calculated amount Local Share: None Extent of Participation: 8 area school
PROGRAMS FOR DISADVANTAGED CHILDREN (Title 16, Ch. 7 General Laws of 1956 as amended) \$2,000,000 (1.70%)	State Share: The appropriation times the latest known ratio which a school district's Title I, ESEA entitlement bears to the total Title I entitlements of the State. Programs must be approved by SDE. Extent of Participation: 40 districts
BILINGUAL EDUCATION (Est.) \$63,910 (0.06%)	Extent of Participation: 7 districts
PUPIL SUPPORT SERVICES	
TRANSPORTATION . . . . See Basic Support Programs	
SCHOOL LUNCH PROGRAM (Title 16, Ch. 8 Section 13, General Laws of 1956, as amended) \$2,623,263 (2.23%)	Local Share: None Extent of Participation: 40 districts
SPECIAL SUPPORT SERVICES Est. \$207,417 (0.18%)	Extent of Participation: 9
CAPITAL SUPPORT PROGRAMS	
SCHOOL HOUSING AID PROGRAM FUND (Title 16, Ch. 7, General Laws of 1956, as amended by Ch. 26 Public Laws-1960) \$6,030,964 (5.12%) School Housing Aid Program Cost of approved new construction, plus allowance for construction completed between June 30, 1949, and January 1, 1960, less Public Law 815 funds.	State Share: Percent of amount for school facilities as follows: State Share ratio = $1 - \dfrac{(13.28\ \text{mills})}{(350)} \dfrac{(\text{EWAV})}{(\text{ADM})} \times 100$

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Need for any new construction, renovation to existing structures or additions to existing structures must be approved by the State Board of Regents for Education. Plans for new school facilities must be submitted to and approved by the State Department of Education.	The above calculated figure is multiplied by eligible construction costs divided by 20 (State share is paid over twenty years). Local Share: Public Law 815 funds are deducted from project construction costs in establishing the amount to which the State percentage for the district is applied. Extent of Participation: 39 school districts.

SOUTH CAROLINA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Jack M. Parrish, Office of Finance, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 61 percent of the State-local revenues for elementary and secondary public schools.
2. State funds are provided through annual appropriations. Basic aid distributions for 1978-79 were the first payments under a new equalization aid program with a five year phase-in implementation period.
3. The South Carolina Education Finance Act of 1977 is the only new program enacted since 1975-76. The new Act replaced the state's flat grant aid formula with a weighted pupil foundation aid program.
4. A new property assessment law requires that all taxable property be assessed at a specified percent of full market value by 1982.

LOCAL SUPPORT

1. There are 7 fiscally independent and 85 fiscally dependent school districts.
2. Property tax revenues provided 93 percent of district income. The balance was provided from tuition, fees, local government appropriations, rentals and interest income.
3. The local contribution to the basic State equalization program amounted to $175,737,274 for 1978-79. Other locally raised revenues totalled $71,000,000.
4. Revenues are normally raised by board levies without voter approval.
5. The taxing authority for each dependent school district falls into one of the following categories:
    - all levies are approved by the local government unit.
    - maximum levy is specified. The approval of voters or local government unit is required for any increase.
6. Constitutional debt limit is set at 8 percent of assessed valuation. Voter approval is required for any additional bonds.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $509,887,487 (100%)

BASIC SUPPORT PROGRAM

SOUTH CAROLINA EDUCATION FINANCE ACT OF 1977 (Act 163, Laws of 1977) $347,246,154 (68.11%)

Funds are generated by the ADM for the first 135 days of the current school year. Disbursements are made monthly from current year estimates with final adjustments made after the 135 day pupil count in finalized. Pupils are classified in one of fourteen program categories. The program categories and weighting factors are:

	Category	Weighting	Estimated ADM 1978-79
1.	Kindergarten	1.30	31,002
2.	Primary (1-3)	1.30	130,316
3.	Elementary (4-8)	1.00	221,351
4.	High School (9-12)	1.25	81,937
5.	Vocational	1.29	100,523
6.	Learning Disabilities	1.74	12,738
7.	Educable Mentally Handicapped	1.74	19,278
8.	Trainable Mentally Handicapped	2.04	2,433
9.	Emotionally Handicapped	2.04	4,041
10.	Orthopedically Handicapped	2.04	781
11.	Visually Handicapped	2.57	437
12.	Hearing Handicapped	2.57	740
13.	Speech Handicapped	1.90	21,350
14.	Homebound	2.10	557

Each pupil is counted in one pupil classification.

State funds earmarked for vocational education (These are total costs, not add-on program costs) ($59,276,862)

State funds earmarked for special education (These are total costs, not add-on program costs) ($52,589,757)

The base student cost value for 1978-79 is $791 of which 70 percent statewide is provided from State resources with the remaining 30 percent from local sources. The base student cost is adjusted yearly by the General Assembly based on the inflationary factor projected for the fiscal year. The Budget Control Board determines the inflation factor. For 1979-80 this factor has been set at 6.9% of base cost value.

The resulting allocation level per district is being phased-in over a five year period. For 1978-79, districts will receive 20 percent of the difference between current funding and full funding of the program.

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Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: 70 percent of total allocation at full funding.

Local share: 30 percent of total allocation at full funding.

Required local financial support of the district's program shall be based on the total number of weighted pupil units statewide times the base student cost times the 30 percent statewide local support level times the district's index of taxpaying ability. The index of taxpaying ability is computed yearly by the South Carolina Tax Commission and represents a district's percent of the State's total equalized assessed valuation contained in the district. For 1978-79 the required local support is 20 percent times the difference between full funding support and current funding plus the current funding.

Districts which are required to increase their local effort under this law may limit their annual increase to 5 percent in real dollars or increase their millage levy for the local share of the foundation program by 2½ mills. Any district failing to meet either of these requirements will have its State entitlement reduced proportionately.

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Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Hold Harmless ($[illegible]38,081)

The Act guarantees no district will have its State allocation reduced to a per pupil level below the prior year funding. In addition no district can receive less State funding in terms of total dollars than received in the prior fiscal year plus the inflationary adjustment. A total of five districts with 36,652 pupils received hold harmless aid.

For 1978-79, each district is guaranteed its prior year base cost plus 20% of the difference between this amount and $791. District guarantees vary widely, ranging from a base cost of $530 to $850. Districts spending above the $791 base are being funded through the hold harmless provisions. Under this provision, districts are not allowed to reduce their local efforts.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

Special Education . . . See Basic Support Program
Vocational Education . See Basic Support Program

PROGRAM FOR GIFTED $326,797 (0.06%)
(Appropriation Act)

Disbursements are made to 16 pilot school districts based on an original competitive grant application. Grants range from $14,000 to $46,000. Funds are to be used to support a program for the gifted and talented.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Local districts must reduce their pupil-teacher ratio in grades one through three based on average daily membership in the basic skills of reading and mathematics as follows:

Fiscal Year 1979	25:1
Fiscal Year 1980	24:1
Fiscal Year 1981	22:1
Fiscal Year 1982	21:1
Fiscal Year 1983	20:1

Eighty-five percent of the funds generated by a program area must be expended districtwide for direct and indirect support for the program.

Each certified teacher and administrator must be paid an amount at least equal to the minimum statewide salary for the person's experience and class.

Each school in the district must have an elected advisory council responsible for preparing an annual written school report. The district is also required to prepare other financial and program reports as developed by the State Board of Education.

Extent of participation: All 92 school districts.

State share: 100 percent of grant amount.

Local share: None

Extent of participation: 16 pilot school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
ADULT EDUCATION (Appropriation Act) $1,446,668 (0.28%) Allocations based on instructors' salaries at the rate of 1/10 of 1% of annual salary rate under the State aid schedule, not to exceed $7.50 per hour with an ADA of 15 pupils per teacher; $1.00 per instructional hour for instructional materials and $2.00 per instructional hour for other expenses except that districts employing a full time director receive $1.50 per hour. Districts must submit project proposals to the Office of Adult Education for review and approval.	State share: 100 percent of allotted amount. Local share: None Extent of participation: All 92 school districts.
PUPIL SUPPORT SERVICES	
TRANSPORTATION FUND (Appropriation Act) $30,605,320 (6.00%) The transportation system is State-owned and actual expenditures are paid directly by the State.	State share: 100 percent of amount. Local share: None Extent of participation: All 92 school districts.
COUNTY ATTENDANCE SUPERVISORS' SALARIES (Appropriation Act) $ 387,801 (0.08%) Each county is allocated a salary for one attendance supervisor at the rate of $8,586 per year. The fund can be used for no other purpose.	State share: 100 percent of allocation. Local share: None Extent of participation: All 46 counties.
FREE TEXTBOOK FUND (Appropriation Act) $9,055,861 (1.78%) Basic textbooks are provided for the full curriculum in grades 1-12 of all public schools. Selection must be made for basic textbooks from the approved list of textbooks adopted by the State Board of Education.	State share: 100 percent of approved amount. Local share: None Extent of participation: All 92 school districts.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
SCHOOL LUNCH PROGRAM AID $ 526,000 (0.10%) (Appropriation Act) Disbursement determined by formula which is based on number of schools participating in the program during the preceding school year. The funds may be used only for the improvement of the school lunch program.	State share: 100 percent calculated amount. Local share: None Extent of participation: All 92 school districts.
SCHOOL LUNCH SUPERVISORS' SALARIES $ 387,085 (0.08%) (Appropriation Act) Each county is allocated a salary for one lunch supervisor at the rate of $8,586 per year. The funds can be used for no other purpose.	State share: 100 percent of allocation. Local share: None Extent of participation: All 46 counties.
EMPLOYEE BENEFITS	
FIXED CHARGES $91,491,136 (17.94%) (Appropriation Act) Total employer share of retirement and health insurance programs, as approved by General Assembly, are paid by State on all public school employees paid from non-Federal sources.	State share: 100 percent of approved amount. Local share: None Extent of participation: All 92 school districts.
CURRENT AID PROGRAMS, N.E.C.	
SOUTH CAROLINA EDUCATION FINANCE ACT OF 1977 (Incentive Proviso) $ 4,635,600 (0.91%) (Act 103, Laws of 1977, Section 4 (2)) Districts will receive $2,000 times the percent of State support for the district for each instructional staff member above 25 percent of the total instructional staff members for those with Masters Degrees or higher certification.	State share: Total State allocation. Local share: None Extent of participation: 65 school districts.

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Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
DAY CARE CENTERS (Appropriation Act) $ 1,072,426 (0.21%) Funds are earmarked for the continuance of day care centers for 3, 4, and 5 year olds in fourteen specific pilot school districts. The funds are allocated at the rate of $1,100 per child in average daily membership.	State share: 100 percent of calculated amount. Local share: Cost of program beyond State share. Extent of participation: 14 school districts
CAPITAL SUPPORT PROGRAM	
STATE SCHOOL BUILDING FUND (Sec. 1 to 24, Art. IV, 1078 South Carolina Laws of 1951) $22,706,639 (4.45%) Currently appropriated at the rate of $30 per pupil for each pupil enrolled in grades 1-12 and $15 for each pupil enrolled in the State Kindergarten Program during the previous school year. Each school district is notified of the amount available to the district for building projects. The districts file project applications requesting use of funds available. Each project is reviewed and a recommendation is made to the State Board of Education. Upon approval by the State Board, each district superintendent is notified that funds are available for projects in the amounts approved. Funds may be used only for capital improvements approved by the State Board of Education, and to pay principal and interest of school district indebtedness on bonds and notes issued for capital improvements approved by the Board.	State share: 100 percent of calculated amount. Advances may be made against future grants. If a district does not apply for its annual allotment, the district share is credited to its account for later use. Local share: None Extent of participation: All 92 school districts.

SOUTH DAKOTA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Gale D. Schluster, Director, Statistical Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 18 percent of all revenue for public elementary and secondary schools was provided by the State in the 1977-78 school year.

2. Legislative appropriation from the general revenue funds of the State provided approximately 85 percent of the State money distributed to school districts for support of the elementary and secondary schools. The balance of state support is derived from income earned by the permanent school fund and other small appropriations.

3. Personal property taxes have been repealed in two stages. In the first stage, the property tax on household goods was repealed. In the second stage, the tax on livestock, machinery and other business inventories was repealed.

4. In 1977 the State Legislature repealed the authority of the State to equalize assessments between counties and to assess up to 60 percent of full and true value for tax purposes.

LOCAL SUPPORT

1. There are 194 fiscally independent school districts in the State.

2. Approximately 88 percent of local school revenue is obtained from local property taxes.

3. Over three-fourths of the other 12 percent of county and local school revenue is from rental income, interest on invested funds, and gifts. The balance of school revenue is from county sources such as the proceeds from fines, which are apportioned to the school districts in a county according to child census. County taxes available for schools include a $1.00 poll tax for persons over 20 years of age, a dog tax of $1.00 per dog, a honey tax of 1/8 mill per 20 pounds, a grain tax of 1/8 mill per bushel, a sugar beet tax of 5/8 mill per ton and a 4 mill levy on money and credits in excess of $15,000 reported by taxpayers.

4. Local contributions to the basic support program amounted to $72,269,058 and leeway revenues of $62,598,721 were raised for 1978-79.

5. Local boards of education may authorize a tax levy of 40 mills for nonagricultural property and 24 mills on agricultural property. An additional 10 mills may be authorized by 75 percent electorate approval. Local boards may also levy up to 5 mills for a capital outlay fund and 2 mills for special education.

6. School districts may issue bonds up to 10 percent of the local assessed valuation, including the outstanding indebtedness of the district. Taxes for debt retirement are authorized with approval of 60 percent of the voters to issue bonds.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$41,925,765	100%

BASIC SUPPORT PROGRAMS

BASIC SUPPORT PROGRAM OF FINANCIAL SUPPORT TO SCHOOL DISTRICTS (SDCL Ch. 13-13-10 through 13-13-41, Inclusive as amended)	$31,289,485	76.40%)

The formula reimburses for prior year expenditures

Declining enrollment factor: Districts may use ADM for 2 prior years in calculating pupil membership.

Calculation of classroom units: Multiply total ADM (K-8) of the district during the previous school year by the multiplicand (Table I, Column 2) and add the value of the constant factor (Table I, Column 3).

(TABLE I)

Total average daily membership of lower grade school pupils in the school district.	Multiplicand	Addition Factor Constant
00.000 through 46.506	.012042	+1.901461
46.507 through 181.534	.044834	+0.376446
181.535 through 226.300	.014995	+5.772454
226.301 and over.	.040503	0.000000

South Dakota School Districts: The classroom unit entitlement of eligible districts equals the sum of the lower grade classroom units (K-8 from Table I) plus number of upper grade classroom units (9-12 from Table II), plus 13% of this sum for administration and supervision.

Classroom unit credit will not be greater than the actual number of teachers assigned.

(TABLE II)

00.000 through 96.269	.042086	+2.149407
96.270 through 299.077	.047712	+1.607799
299.078 through 491.588	.033150	+5.962965
491.589 and over	.045280	0.000000

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Cost minus allowable income of district equals equalization support.

Local share: The yield of 13 mills on the adjusted agricultural property, plus 18 mills on the adjusted nonagricultural property, plus general support funds, plus all tuition and receipts from the permanent school fund.

The local contribution amounted to $72,269,058

Extent of participation:

General support portion: 195 districts with 143,489 pupils in ADM

Equalization portion: 131 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Calculation of State supported foundation program level: Multiply the district's allocation of classroom units as calculated above times the support level and add tuition payments to other districts and tuition payments for exceptional children. Up to one-half of amount is guaranteed by State sources.	
General support portion ($12,275,000) $1,650 for each K-8 and 9-12 classroom unit, $1,650 for each one-teacher school classroom unit.	
Transportation portion ($ 4,394,300) Fifty percent of costs necessary to get pupils to and from school but not to exceed 30 cents per mile.	
Equalization support ($14,620,185) Funds remaining after general support and transportation aid payments are made are distributed to eligible school districts under an equalization formula in the amount that the cost of the State supported foundation program level exceeded the income (13 and 18 mills, tuition income, school lands monies, general support) of the foundation program for such districts during the previous fiscal year.	
PERMANENT SCHOOL FUND $ 6,492,643 (15.85%) Fund is composed of receipts from earnings of the permanent school fund. Each school district is required to make an annual census of all children between the ages of 5 and 18 inclusive, and report census to the State Commissioner of School and Public Lands.	State share: 100% calculated amount distributed in proportion to census figures for children 5-18.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
EXCEPTIONAL CHILDREN FUND (SDCL 13-37) $ 1,525,000 (3.72%) Distributed on the basis of an approved plan and application FTE pupils.	State share: Up to $500 per FTE child Local share: Balance of program costs Extent of participation: All school districts participate.
VOCATIONAL EDUCATION (SDCL 13-39-19) $ 1,420,294 (3.46%) To aid and assist in establishing and maintaining vocational education programs.	State share: 100 percent of approved amount Local share: Balance of program costs.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL SUPPORT SERVICES Transportation --- See basic support program	
DISTRICT CHARACTERISTICS PUBLIC SHOOTING AREAS FUND (SDCL 41-4-8) $125,000 (0.31%) State owned public shooting land is assessed for taxation in the same manner as other land and is equalized and entered on the tax lists for taxation. Amounts are paid by the State to the districts with such lands within their boundaries according to the value and tax rate placed on the land.	**State share:** 100% of approved amount and approx. **Local share:** None **Extent of participation:** 50 school districts

TENNESSEE

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Joel Shore, Assistant Commissioner, Fiscal Services, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided 52 percent of the State-local revenues for elementary and secondary public schools.
2. Approximately 87 percent of State revenues for public education are derived from retail sales and tobacco taxes dedicated to public education. The remainder is provided by annual appropriations.
3. The foundation program guarantees a uniform dollar amount equal to an estimated 39 percent of Statewide average expenditures per pupil ($342 per weighted Full Time Equivalent, ADA).
4. The State contributed an estimated $124,311,400 for employee benefits in 1978-79. This amount was not reported as State aid.
5. A new basic support program became effective in the 1977-78 school year. It introduced pupil weighting for special and vocational education programs. An index of local wealth was replaced by each county's taxable property wealth which was used to calculate the chargeback requirement for the basic support program. In another program, the State assumed the responsibility for financing construction costs required to implement vocational education programs.

LOCAL SUPPORT

1. There are 148 fiscally dependent school districts in the State.
2. Counties are required to apportion to their school districts at least 50 percent of the local optional sales taxes.
3. Local contributions to the basic State equalization program amounted to $47,847,100 for 1978-79. Leeway taxes provided an additional $404,152,900.
4. There is no maximum general purpose tax rate or levy in effect for local governments.
5. There are no debt limits set by the State.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $480,924,934 (100%)

BASIC SUPPORT PROGRAM

TENNESSEE FOUNDATION PROGRAM (TFP) $426,958,634 (88.78%)
(T.C.A. Chapter 6, §§49-602 - 49-607)

Level of Funding, 1978-79 and Percent of Public School Funds

State Share	90%	$426,958,634
Local Share	10%	47,847,100
Total TFP Amount	100%	$474,805,734

Program Description

The basic State support mechanism for funding the public schools grades K-12 is the Tennessee Foundation Program. This is a State-local partnership equalization program which provides about 39% of the total current operating costs for the public schools. The Tennessee Education Finance Act of 1977 made important changes in the procedures for determining the cost of the foundation program and the amount of State funding allocated to each local education agency (LEA).

A new weighted pupil formula for determining education need and cost was adopted. Educational programs, a base amount per weighted full time equivalent pupil ADA (WFTEADA), cost differentials for each program and a teacher training and experience weighting factor are established annually. The total foundation program funds for each LEA depend on the number of full time equivalent students enrolled in the various programs plus the number of identified and served handicapped and the average training and experience of its teachers.

The Funding Base

The foundation program funding base per WFTEADA is determined by dividing the annual appropriation for the foundation program by the product of the State training and experience factor and the sum of the total State weighted full time equivalent ADA under each regular academic program and each vocational program, added to the total identified and served handicapped in the State. In 1978-79 the base amount per WFTEADA is estimated to be $342. This compares with estimated equivalent expenditures in 1977-78 of $832 per WFTEADA.

Pupil Count: Funds are allocated on the basis of average daily attendance of the highest two of the first three months of the current school year.

The instructional programs, cost differentials (FTEADA Weightings) for the various programs, the training and experience factor and the estimated funding base allocation per WFTEADA included in the foundation program for 1978-79 are as follows:

Program	Weight	
Regular Academic		($371,552,425)
Grades K-3	1.245	
Grades 4-6	1.0	
Grades 7-8	1.1	
Grade 9	1.2	
Grades 10-12	1.3	

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Overall the foundation program is funded 90% by the State and 10% by local governments. Each LEA's share depends, however, upon the local county percentage of the assessed value of taxable property wealth of the State. Property valuations are adjusted by property equivalents for any payments in lieu of taxes made any county by the Tennessee Valley Authority. The actual local shares vary among LEA's from 3% to 18% of the cost of the foundation program. The assessed value of taxable property replaced the economic index in determining the local contribution to the cost of the foundation program. The State equalization payment to each LEA under the foundation program is the remainder after the LEA's share (based on WFTEADA) of the local county contribution is subtracted from the total foundation program amount for the LEA.

Local Share: The total amount TFP funds for each LEA is computed as follows:

(1) Multiply the total FTEADA of each regular academic and vocational education program of the LEA by the appropriate cost differential for such program, which yields the WFTEADA of each program.

(2) Sum the WFTEADA's for all regular academic and vocational education programs, which yields the total WFTEADA's for the LEA.

(3) Multiply the number of identified and served handicapped students during the preceding year by the cost differential for special education, which yields the weighted identified and served handicapped.

(4) Sum the total WFTEADA and the weighted identified and served handicapped for each LEA; multiply this sum by the base cost, which yields the total base program cost for each LEA.

(5) Multiply the total base program cost for each LEA by the LEA's training and experience factor, which yields the total TFP funds for the LEA.

(6) The total Tennessee Foundation Program funding shall be the sum of the total funding for each LEA. This total amount shall be funded ninety percent (90%) by the State from State revenues and ten percent (10%) by the LEA's from local revenues.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Program	Weight	
Vocational Education		($44,426,028)
Agriculture (12 mos.)	2.62	
Vocational Home Economics	2.1	
Health Occupations	2.1	
Trade & Industrial	2.48	
Related Trade & Industrial	1.84	
Office Occupations	2.04	
Distributive Education	2.04	
Special Education		($57,822,041)
Add on Weightings per Handicapped Pupil Identified and Served	1.152	

The Training and Experience Factor

The training and experience factor for each LEA is determined annually by the SEA by dividing the average salary under the State salary schedule of all certified personnel (teachers, supervisors, school principals and superintendents) employed by the LEA on December 1 of the current fiscal year by the State salary schedule amount for a person with a bachelor's degree and no experience. Each LEA's T & E factor for 1978-79 was calculated after December 1, 1978. In 1978-79 the LEA training and experience cost adjustment factors ranged from 1.249 in Davidson-Nashville to 1.107 in Grundy County, averaging 1.185 for the State as a whole.

Additional Provisions and Requirements

1. At least 85% of TFP funds must be spent in program where generated. (TCA 49-605)
2. Each LEA must provide from local funds an $850.00 per school year salary supplement for all certified teachers with a degree. (Public Acts 2978, Section 12, Item 12)
3. Hold Harmless: Each LEA is guaranteed in State foundation funds an amount (1) not less than the amount it would have received in 1977-78 under the provisions of Title 49 in effect prior to July 1, 1977, plus (2) a sum sufficient to pay any increases in salary mandated by the State in any subsequent year.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Calculation of Local Contribution of each LEA to Cost of the Foundation Program

The amount of the total Tennessee Foundation Program which is contributed by each LEA is calculated as follows:

(a) Determination of the adjusted county property value shall be made as follows:

(1) Obtain the most recent payments in lieu of taxes paid by the Tennessee Valley Authority directly to individual counties and to the State for distribution to individual counties as are available on March 1. The total amount of such payments received by each county shall be converted on an equivalent amount of assessed property value by using the current individual county tax rate available on March 1. Where multiple county tax rates exist, the highest rate shall be used.

(2) Obtain the total assessed valuation for the County from the most recent Tax Aggregate Report of Tennessee by the State Board of Equalization as is available on March 1 each year.

(3) The adjusted county property value shall be the sum of the total assessed valuation of the county and the county property equivalent of TVA payments in lieu of taxes as calculated in subsection one (1) above.

(b) The adjusted State property value shall be the total of all the adjusted county property values.

(c) The relative property value for each county shall be established by dividing the adjusted county property value by the adjusted State property value.

(d) The County local contribution for all LEA's shall be calculated by applying the relative property value for such county to the total local funding as established above.

(e) If one or more LEA's exist within a county, each LEA shall bear its proportionate share of the county local contribution, based on the WFTEADA in each LEA for the preceding year.

(f) The State contribution of funds to each LEA shall be the remainder after the local contribution has been subtracted.

Extent of Participation: 148 districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special education) Vocational education) See Basic Support Program	
PUPIL SUPPORT SERVICES	
PUPIL TRANSPORTATION, T.C.A. Chapter 6, §49-608 $16,573,000 (3.44%) Provides assistance toward the total cost of pupil transportation services for pupils in grades K-12 for those students who live one and one-half ($1\frac{1}{2}$) miles or more from the school to which they are assigned. Assistance is provided to all public local educational agencies operating an approved transportation system.	State Share: Sixty percent (60%) of the appropriation is allocated on a per eligible student transported the previous year. The remaining 40% is distributed on the basis of the geographical area of each county expressed in square miles. All 95 county school systems participate plus 20 city and special school districts. Local Share: Balance of costs Extent of Participation: 95 county school systems 20 city and special school districts.
TEXTBOOKS, T.C.A. Chapter 6, §49-609 $ 6,447,500 (1.34%) State funds are provided for the purchase, repairing and rebinding of textbooks and for instructional materials for kindergarten pupils.	State Share: Each LEA receives $7.50 per pupil in average daily attendance during the preceding school year. To this amount is added $12.50 per pupil in average daily attendance for the increase in ADA for the immediate past school year over that of the school year preceding. Extent of Participation: All districts
CURRENT AID PROGRAMS, N.E.C.	
LEAVE FOR TEACHERS, T.C.A. Chapter 6, §49-611, 49-1314 $ 4,041,200 (0.84%) Teachers in each LEA are allowed one day of sick leave for each month worked with unlimited accumulation and two days per year professional or personal non-cumulative. Accumulated sick leave days may be counted as work experience at time of retirement.	State Share: 50 percent. State reimburses LEAs for substitute teachers used for teachers on approved leave at the rate of 50% of the cost paid to substitutes. Local Share: 50 percent
CAPITAL SUPPORT PROGRAMS	
STATE CAPITAL OUTLAY, T.C.A. Chapter 6, §49-610 $11,904,600 (2.47%) State funds are provided for the purchase and improvement of sites, construction of buildings, remodeling or renovation of buildings, purchase of equipment for schools and school buildings, and purchase of pupil transportation equipment. Local plan of expenditure must be approved by State agency.	Calculation of State Capital Outlay State Share: 57 percent Local Share: 42.5 percent Allocations determined on a per pupil amount in average daily attendance the previous year. Each LEA's share is determined by applying each county's relative property value as determined in the TFP to the 42.5 percent local share which is assumed but not required. Each LEA receives the calculated amount minus the local share. Local share is assumed, not mandated. Extent of Participation: All school districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
CAPITAL OUTLAY FOR VOCATIONAL EDUCATION, T.C.A. Chapter 6, §49-2709 — $15,000,000 (3.11%) Comprehensive Vocational-Technical Act of 1973 provided that all capital cost would be borne by State. Total authorization of $197,000,000. Total of 161 new facilities plus 11 of equipment only have been approved. Only 12 facilities remaining for completition in 1979. Goal is to provide vocational training for 50% of students in grades 9-12.	State Share: 100 percent Calculations based on need of facility and equipment by individual system and approved by state agency. Extent of Participation: All school districts

TEXAS

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Richard B. Bennett, Director of State Funding, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 57 percent of State-local revenues for elementary and secondary public schools.
2. Receipts of the Available School Fund are earmarked for public schools. The balance of State funds was provided by appropriations for the 1977-79 biennum. The Fund's income is derived from earnings of the Permanent School Fund from land that was appropriated for schools and from one fourth of the revenues of the State's occupations tax and of the fuel and gas excise tax.
3. The State reports that its Foundation Program provided more than three times as much State aid per pupil, an average of $664, to its 77 poorest districts as it did to the 179 richest districts which received an average $203 per pupil. In addition, all districts with per pupil wealth below 110 percent of the Statewide average benefitted from supplemental equalization aid.
4. The State has embarked on an extensive program of equalizing property assessments for education for aid purposes. In 1978, the School Tax Assessment Practices Board was established.

LOCAL SUPPORT

1. There are 1,072 fiscally independent school districts and 28 fiscally dependent districts in the State.
2. The independent school districts rely solely on property taxes for school purposes.
3. The State requires counties to apportion to their school districts receipts of the County Available School Fund, which amounted to $12,000,000 for 1978-79.
4. The local contribution to the basic State equalization program amounted to $356,730,120 in 1978-79. Local leeway revenues were $1,277,231,000.
5. Local school boards set district levies without voter approval.
6. The maximum rate for school operations is set at $1.40 per $100 full market value.
7. A district's debt is limited to 10 percent of its assessed value.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $2,184,031,022 (100%)

BASIC SUPPORT PROGRAM

FOUNDATION PROGRAM $2,163,952,154 (99.08%)
(Ch. 16, Texas Education Code 1978)

State financing of Foundation Program is derived from:

State Available Funds	$ 730,634,000
State Foundation Program Funds	$1,433,318,154

Foundation Program is based on Average Daily Attendance (ADA), personnel units calculated for all programs and transportation allowance.

Amounts for personnel salaries and general operating expenses are calculated on the basis of current Average Daily Attendance. The minimum Vocational allocation is two units for each accredited four-year high school, plus others as needed. The basic Special Education allocation is 30 positions for the first 3,000 ADA. Additional positions are funded in larger school districts on the basis of 4 1/2 personnel units for each additional 500 ADA. At least 12% of the enrollment must be served by Special Education in order for the district to receive full allocation.

Hold Harmless: Each school district is entitled to at least 100 percent of the State aid per ADA it received during the 1976-77 school year.

Cost calculation of personnel units is based on salary schedules.

Range of Salaries for Selected Personnel

	Minimum	Maximum	Years to Reach Maximum
1. Instructional Salaries:			
B.A. Degree	$8,540	$13,389	13
M.A. Degree	9,110	15,090	25
2. Supervisors	9,400	16,130	17
3. Principals (Varies with number of teachers supervised)	10,250	22,320	25
4. Superintendents (Varies with the ADA of the District)	22,320	34,393	20

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: State share is determined by subtracting the local effort from the cost of the Foundation Program. The State Foundation Program funds are the required amount needed to fund the Foundation Program after deducting the calculated local share and the State Available Funds. State Available Funds are distributed to independent districts individually and to counties for distribution to common school districts at a rate of $284.50 per pupil in average daily attendance.

Local share: The smaller of an 18 mill yield from a tax levy on the full value of taxable property or 20 1/2 mills on the agricultural use value of open land plus the full market value of all other property in each district. The total local share is estimated to be $356,730,120.

Extent of Participation: An estimated 1,016 districts. An estimated 56 districts are budget balanced and do not receive Foundation Program Funds. A budget balanced district is one in which the required local levy exceeds the calculated amount of the foundation program.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Other Current Expense:

An allowance of $115 per ADA is provided. An additional $400 is allotted per Vocational Teacher Unit.

Pupil Transportation Regular Transportation ($59,000,000)
Special Education Transportation ($6,705,000) Vocational Education Transp. ($1,000,000)
The amount for pupil transportation is determined in relation to the number of pupils transported, the miles traveled, and the condition of the roads. Annual allowance, established in relation to a standard daily route of 45 to 50 miles of which 60 percent are surfaced roads, range from $169 per child on buses transporting less than 15 pupils to $5,997 for a 72 capacity bus. Allowance only made for children transported who live 2 or more miles from school. Percentage increases and reductions are made for mileage traveled 55 miles per day and less than 45 miles daily travel.

Attendance Units

Personnel units are allocated on the current average daily attendance (ADA) in the district.

Refined ADA by Grades	Divisor
K-3	18 1/2
4-6	21
7-9	20
10-12	18

Special Education units are counted at 1/4 of the regular program value and vocational units are counted at 1/2 of the regular program value.

Small/Sparse Districts Guarantee

Districts having less than 1000 ADA are granted a percentage increase in units. The amount of increase is based on the ADA of the districts. Districts with more than 300 square miles are granted a larger increase.

Kindergarten Attendance

Schools have the option of half-day or full-day kindergarten for all children. However, attendance for determining personnel unit allotment can be counted on half-day/full-year or full-day/half-year except for educationally handicapped. Full-day/full-year attendance for educationally handicapped will be counted.

Supplemental Equalization ($135,000,000)

Equalization aid is

$$\left(1 - \frac{\text{DADV/ADA}}{\text{SADV/ADA} \times 1.10}\right) \quad \text{ADA} \times \$185 \text{ or } \$210$$

DADV is the average of the district's full market value of property and agricultural use value of property divided by the district's current ADA. SADV/ADA is the average of full market value of property in the state divided by the state total ADA.

In order to qualify for supplemental equalization aid, a district DADV/ADA cannot exceed 110 percent of the Statewide average, SADV/ADA. Districts in the lowest wealth quartile multiply the fraction derived above by $210; all other qualifying districts use the $185 factor.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Driver Education ($3,095,000)*

An allocation of $25 per student enrolled is provided. Eligible enrollment may not exceed 20% of the average daily attendance in grades 10 - 12.

Bilingual Programs ($5,200,000)

A program of bilingual instruction for children in each language classification in kindergarten and through the 5th grade is required if:

(a) The district had an enrollment of 20 or more children of limited English-speaking ability in any language classification, who were in the same grade level during the preceding scholastic year, and

(b) The district does not have a program of bilingual instruction which accomplishes the State policy of facilitating integration into the regular school curriculum.

Districts are permitted to implement programs of bilingual education in a language classification with less than 20 children at the option of the local school board.

Priority of state support will be given to those districts implementing either required or permitted bilingual programs in grades K - 5.

Special Education ($250,805,000)*

Thirty Special Education Personnel units are allowed for the first 3,000 ADA and 4.25 additional units are allowed for each additional 500 ADA. Allocations are reduced if less than 12% of the enrollment is served in special education programs.

The special transportation allocation has been increased to an amount "equal to the actual cost of the transportation not exceeding $260 for each exceptional student transported."

Vocational Education ($135,000,000)*

Districts operating as accredited four-year high schools are allocated a minimum of two vocational units. Additional units are allowed based on a survey of the community and a State Board of Education plan for vocational education.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

Special Education)
Vocational Education)
Driver Education) See Basic Support Programs
Bilingual Education)
Kindergarten Education)

PUPIL SUPPORT SERVICES

Transportation See Basic Support Programs

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*Includes State and Local Share of Foundation Program Fund

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

STATE TEXTBOOK FUND $20,078,868 (0.92%)
(Sec. 3. Art. VII, Laws of 1917)

Grades K - 12. Allotment is based on the number of pupils enrolled in the school district. Districts must request books from a State-adopted list.

DISTRICT CHARACTERISTICS

Small/Sparse Districts . . . . See Basic Support Program

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: 100 percent of calculated book amount. State buys and distributes books.

Local Share: None

Extent of Participation: 1,100 school districts.

UTAH

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Arthur L. Bishop, Coordinator, School Finance, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 71 percent of the State-local revenues for elementary and secondary public schools.

2. The following revenues were earmarked for the Uniform School Fund for 1978-79:

- Individual Income Tax	$223,500,000
- Corporate Franchise Tax	29,300,000
- School Lands Income	6,900,000
- Interest Revenue Sharing	500,000
- District Recapture	704,000
- Other, including General Fund Appropriations	39,849,523
Total	$300,753,523

3. New programs funded since 1975-76 are the School Building Equalization Program and the following minor categorical programs: Elementary Music, Gifted and Talented, Responsible Parenthood, Bilingual Education, Class Size Reduction, Utilities and Insurance, Special Needs Program, and Career Education.

4. The State Tax Commission started a revaluation program in 1972 aimed at assessing all districts at 20 percent of fair market value. Twenty-six of the 29 counties were revalued by the end of the 1978-79 school year.

LOCAL SUPPORT

1. There are 40 fiscally independent school districts in the State.

2. Property taxes are the major source of district local school revenues.

3. Local contributions to the State equalization program (Categories I and II) amounted to $117,470,407 in 1978-79. Unequalized local district revenues were estimated at $8,000,000.

4. The State required minimum levy of 28 mills for participation in the foundation program may be reduced by the State Tax Commission for a three year period following a district's revaluation of property.

5. Maximum district rate limits are: 10 mills for voted leeway; 1 mill for transportation; 0.5 mill for tort liability; and under certain conditions 4 mills to compensate for loss of P.L. 874 funds.

6. The district debt limit is equal to 13.33 percent of assessed valuation.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $307,744,910 (100%)	
BASIC SUPPORT PROGRAM	
STATE-SUPPORTED MINIMUM SCHOOL PROGRAM (Title 53, Chapter 7, Utah Code Annotated, 1953, as amended) $201,655,975 (65.53%)	
Basic State-Supported School Program (Category 1) ($200,861,475) Pupil Unit Value The Basic State-supported Minimum School Program guarantees to each school district an amount of money equal to $795 per weighted pupil unit. Participation in this part of the program is mandatory for all school districts. All are required to levy a 28 mill local property tax as the local contribution. If the 28 mill property tax is in excess the cost of the Basic Program, the excess is paid to the State Uniform School Fund.	State share: The State's contribution to the basic state-supported program of any district is calculated as follows: $795 times the number of weighted pupil units in the school district minus the yield of the 28 mill local property tax computed at 98% of the assessed valuation. The remainder is the State's contribution. The State contribution is equal to an estimated 66.6 percent of the minimum school program. Local share: Each district must levy a 28 mill local property tax and contribute the yield of the levy as its contribution to the cost of the basic school program. All 40 districts participate. Local contribution: Est. $100,957,890 Extent of Participation: 40 Districts, 323,600 pupils. In three of these districts with 6,825 pupils the yield from the 28 mill required levy exceeds the Basic Program. The excess is returned to the State.
State-Supported Voted Leeway Program (Category 11) ($794,500) With the approving vote of its electors up to an additional 10 mills local property tax for operation & maintenance may be levied. The State guarantees this program at $13 per weighted pupil unit for the first two mills and $4 per weighted pupil unit for each mill thereafter. If a district's local property tax levy yields in excess of the State-Supported amount the district may keep the excess.	State share: The State's share is calculated as follows: $13 times the number of weighted pupil units in the district times the mill levy up to 2 mills minus the yield of the equivalent levy (not to exceed 2 mills) at 98% assessed valuation. No State funds are generated by the $4 per weighted pupil for levies above 2 mills. Local share: The local share is the yield of the property tax levied, estimated at $16,512,517. No recapture of local funds to the State is applicable. Extent of Participation: Twelve school districts with estimated 165,754 ADM will impose a levy under this authorization; ten districts will receive State funds.
Measurement of Educational Load Pupil counts are based on the following calculations: 1. Kindergarten -- Weighted Pupil Units = $\frac{ADA + ADM}{2} \times .55$ In schools that do not operate a winter kindergarten, the Board of Education may provide a summer kindergarten for a term not to exceed nine weeks. Aggregate days attendance and membership from summer kindergarten are equated into school year ADA & ADM and subsequently into weighted pupil units as shown above.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

2. Grades 1-12 —

Weighted Pupil Units = $\frac{\text{ADA} + \text{ADM}}{2}$

In items 1 and 2 all students attending school are counted with these exceptions:

(a) Students enrolled in full-time programs for handicapped.
(b) Students who are over 18 years of age.
(c) Students who have graduated from high school.
(d) Students from out-of-state.

3. Adjustments for necessary small schools ($3,879,600)*
Additional weights provided by State Board of Education to approved small schools.

Extent of Participation: 4,880 pupil units in 25 school districts

(a) Elementary - K & 1-6

Average Daily Attendance By School Size	Number of Weighted Pupil Units
5 up to 13	27
13 up to 21	40
21 up to 31	53
31 up to 51	53 + (1.4) (ADA minus 30)
51 up to 91	81 + (1.2) (ADA minus 50)
91 up to 111	129 + (1.0) (ADA minus 90)
111 up to 165	149 + (0.3) (ADA minus 110)

(b) Junior Highs and Middle Schools

Average Daily Attendance By School Size	Number of Weighted Pupil Units
0 up to 41	No. of pupils mult. by 2.0
41 up to 81	80 + (1.5) (ADA minus 40)
81 up to 151	140 + (1.4) (ADA minus 80)
151 up to 251	238 + (1.0) (ADA minus 150)
251 up to 350	338 + (0.12) (ADA minus 250)

(c) Senior High (10-12)

Average Daily Attendance By School Size	Number of Weighted Pupil Units
0 up to 76	No. of pupils mult. by 2.0
76 up to 126	150 + (1.6) (ADA minus 75)
126 up to 186	230 + (1.1) (ADA minus 125
186 up to 251	296 + (1.0) (ADA minus 185)
251 up to 375	361 + (0.112) (ADA minus 250)

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*Combined State and local costs

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

(d) Six Year High (7-12)

Average Daily Attendance By School Size	Number of Weighted Pupil Units
0 up to 81	No. of pupils mult. by 2.0 (min. total weighting of 27)
81 up to 161	160 + (1.4) (ADA minus 80)
161 up to 251	272 + (1.0) (ADA minus 160)
251 up to 650	362 + (0.72) (ADA minus 250)

Incentive for Consolidation ($28,620)*

To encourage school districts to consolidate small schools, they may, during the two years immediately following consolidation, with the approval of the State Board of Education, receive the same number of weighted pupil units for the consolidated school that they would have received had the consolidation not taken place.

Extent of Participation: 36 pupil units

4. Special Education ($23,325,300)*

Additional weighted Pupil Units are granted for handicapped children on prior year actual data. The State Board of Education establishes definitions, guidelines, rules & regulations, and standards for determining which children are included in the various classifications of handicap.

Extent of Participation: 29,340 weighted pupil units

Number of Pupils by Program A.D.M.	Weighting Factor for Handicapped Pupils	
	In Regular Class	In Self-Contained Classes
Educable Mentally Retarded	1.00	2.40
Trainable Mentally Retarded	1.00	2.60
Learning Disabled	.90	2.40
Emotionally Disturbed	.90	2.90
Deaf and Hard of Hearing	1.30	2.70
Speech and Hearing	.50	.00
Motor Handicapped	1.50	2.90
Visually Impaired	1.60	.00
Homebound and Hospitalized	.00	1.80
Training Center - Multiple - Handicapped	.00	3.40

Students in self-contained handicapped classes are not awarded weighted pupil units under the "regular" attendance and membership count.

Pupils are classified as Handicapped within the following categories and prevalence limits based on A.D.M.

Category	Prevalence Limit
Educable Mentally Retarded	.015
Trainable Mentally Retarded	.002
Learning Disabilities	.03
Emotionally Disturbed	.03
Deaf	.0008
Hard of Hearing	.002
Speech and Hearing	.035
Motor Handicapped	.002
Visually Impaired	.001
Homebound and Hospitalized (Handicapped Only)	(Included)
Training Center - Multiple - Handicapped	.004
TOTAL	.1218

Any claims for units in excess of the prevalence limit provided shall be approved by the Office of the State Board of Education.

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*Combined State and local costs

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

No district will receive less money than the previous year according to pupils served the previous year.

State Programs for handicapped ($777,510)*

Extent of Participation: 978 weighted pupil units

In addition there shall be allocated to the State Board of Education a number of weighted pupil units not to exceed 3.3 percent of the number above for use in statewide and multi-district programs for the handicapped. Amounts are awarded by special approval by the office of the Utah State Board of Education.

5. Professional personnel in full-time equivalency in each district are awarded weighted pupil units by multiplying the total FTE in each year of experience by the weighting factor under the appropriate training lane in the following schedule:

Yrs. of Exper.	Bach. Deg.	Bach. +30 Qt Hr.	Masters Degree	Masters +45 Qt. Hr.	Doctors
1	1.00	1.05	1.10	1.15	1.20
2	1.05	1.10	1.15	1.20	1.25
3	1.10	1.15	1.20	1.25	1.30
4	1.15	1.20	1.25	1.30	1.35
5	1.20	1.25	1.30	1.35	1.40
6	1.25	1.30	1.35	1.40	1.45
7	1.30	1.35	1.40	1.45	1.50
8	1.35	1.40	1.45	1.50	1.55
9			1.50	1.55	1.60
10				1.60	1.65
11					1.70

Total cost factor from above schedule is divided by total staff minus one and then multiply by .25 and multiply by total W.P.U.'s of items 1, 2, & 3.

6. Vocational Education ($9,559,080)*

Extent of Participation: 12,024 weighted pupil units

The State Board of Education grants additional weighted pupil units to pay the excess costs of vocational and technical education during regular school year in secondary schools. Weighted pupil units are awarded to each district as follows:

(a) Funds shall be computed by using (ADA + ADM) ÷ 2 in approved programs for the previous year. A district that has experienced student growth of 1% or greater in grades 9 through 12 for the previous year shall have the growth factor applied to the previous years WPU's when calculating the allocation of funds. No district shall receive less vocational funds than for the previous year.

(b) Students in the 11th and 12th grades enrolled in vocational classes generate weighted pupil units by using (A.D.A. + A.D.M.) ÷ 2 in each of the five vocational areas and multiplying this by the following weighting factors:

Vocational Area	Weighting Factors
Agriculture	1.20
Business	.80
Distributive Education	.60
Homemaking	.40
T & I	1.50

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*Combined State and local cost

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

(c) Each district is allowed 9 weighted pupil units.

(d) For each high school in the district 16 W.P.U.'s are allowed.

(e) In addition special Vocational Set Aside State Funds are awarded to certain school districts and institution on a pre program basis as approved by the office of the State Board for Vocational Education. Dollar amounts are converted to weighted pupil units.

(f) Limited Incentive Vocational weighted pupil units are allocated to some secondary schools (9-12 grades) with enrollment under 400 for students traveling to another school or Area Center Voc. programs.

7. Summer Vocational Programs ($1,435,770)*

Extent of Participation: 1,806 pupil units

(Agriculture and Homemaking) -- Nine weighted pupil units are allowed for each teacher with 50 students based upon a program for 12 weeks.

8. To assist in administrative costs, each school district receives 45 additional weighted pupil units.

9. Adult High School Completion ($2,290,395)*

Extent of Participation: 2,881 pupil units

For students 18 years of age and older enrolled (not in regular high school program) with intentions of completing high school.

Each district shall receive its prorata share of the appropriation based on the number of people enumerated in the 1970 Census who are over 18 years of age and who do not have a high school diploma. Weighted pupil units are also allocated for eligible students in Skill Centers. Programs must meet state standards.

10. Special Purpose Optional Programs ($4,207,140)*

Extent of Participation: 5,292 weighted pupil units

There shall be allocated a total of 5,292 weighted pupil units to districts for special purpose optional programs approved by the State Board of Education as follows:

Optional Program	Weighted Pupil Units	
Compensatory Education	1,204	$957,180
Instructional Media Centers	859	682,905
Elementary School Guidance	946	752,069
Community Education	907	721,065
Extended Day, Extended Year and Summer Programs	1,025	814,875
Career Education	351	279,045

Each school district shall receive its proportionate share of 1,204 units based upon the number of disadvantaged pupils in such district as compared with the total number of such pupils in all districts. In addition, each district shall receive one and one-half units as a base plus one-half unit for each school in which it maintains an instructional media center approved by the State Board of Education. Each district shall also receive its proportion of the balance of weighted pupil units provided for in this subsection based upon its number of weighted pupil units computed in accordance with the provisions for kindergarten, grades 1-12 and small schools, as compared with the number of such weighted pupil units for all districts.

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*Combined State/local funds

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
Each district may use its proportionate share of the units computed in any one or all of the programs enumerated herein.	
11. Adjustment for declining attendance To avoid penalizing a district for epidemics or other factors beyond its control, an adjustment may be made in any year when the percentage of average daily attendance in its schools drops more than 2 percent below the average of the highest two of the preceding three years.	
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
Special Education . . . See Basic Support Program	
PROGRAMS FOR GIFTED AND TALENTED $480,000 (0.16%)	Funds awarded on basis of application
SPECIAL NEEDS $3,000,000 (0.98%) Each district shall receive an allocation based on a state formula for children that have been served as handicapped but no longer qualify as handicapped and for other children with similar needs.	State share: 100 percent Extent of Participation: Allocated to each district according to a base amount of $7500 per district. The balance is prorated according to A.D.M. of Handicapped students served within prevalence limits and total district A.D.M.
Vocational Education . . . See Basic Support Program	
AREA VOCATIONAL CENTERS $1,968,211 (0.64%) Allocated to three Area Vocational Centers, located in three strategic locations, for the purpose of conducting adult vocational education programs. Amount from State Uniform School Fund.	State share: 100% When secondary students attend Area Vocational Centers. The home school district contracts with the Area Center for the instructional program. The State Supported Minimum School Program and the State support vocational additional funds are used for this purpose. Local share: None Extent of Participation: Eleven school districts presently cooperate with three Area Vocational Centers.
DRIVER EDUCATION FUND Est. $1,407,176 (0.46%) (Title 41, Chapter 1, Utah Code Annotated, 1953 as amended) The yield of a special tax of $1.50 on each motor vehicle registered in the State minus the cost of collection of the tax, is appropriated to the State Board of Education for driver education. Allocated to the 40 school districts, the State Youth Development Center and the School for the Deaf, on a reimbursement basis for their costs of the behind-the-wheel phase of automobile driver education programs. (53-14-13) The amount of reimbursement to any school district may not exceed any of these three limits: (a) The amount actually expended by the district for costs of the behind-the-wheel phase of automobile driver education; (b) The average cost per pupil among all school districts in the State for such training during the preceding year; or,	State share: 100 percent of the program costs up to the limits described. Local share: All costs in excess of the State reimbursement available to the district. Extent of Participation: All 40 school districts, the Youth Development Center and the School for the Deaf.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
(c) $45 per pupil trained. Whenever the total amount of money in the fund will not cover the entitlement due the districts, the State Youth Development Center and the School for the Deaf, the money available is prorated among the districts, the State Youth Development Center and the School for the Deaf.	
BILINGUAL EDUCATION $339,297 (0.11%) Allocation based upon the number of pupils with bilingual needs in the district claiming entitlement bears to the total number of such pupils in all districts.	State share: 100 percent
MUSIC PROGRAMS IN ELEMENTARY SCHOOLS $480,000 (0.16%)	Extent of Participation: Prorated to all districts based on $\frac{\text{ADA + ADM}}{2}$ for K-6 students
RESPONSIBLE PARENTHOOD $249,952 (0.08%) For programs designed to provide students with an understanding of the responsibilities of parenthood under guidelines developed by the State Board of Education	State share: 100 percent
PUPIL SUPPORT SERVICES TRANSPORTATION FOR PUPILS $11,050,960 (3.59%) 1. For reimbursement of approved cost to local school district for to-from school -----($10,546,000) 2. Approved bus route miles shall be proposed by school districts and approved by the State Board of Education. 3. Allocated to local districts for transporting pupils for educational field trips, lyceums, and other such programs------------------------($504,960) Prorated to all 40 districts based on $\frac{\text{ADA + ADM}}{2}$ The To & From School program supports the transportation of elementary pupils living 1½ miles or more from school and secondary pupils living 2 miles or more from school.	Extent of Participation: 40 districts
TEXTBOOKS AND LABORATORY FEES $2,479,939 (0.81%) The funds help provide all textbooks and laboratory materials used by the pupils. Local school districts may sell to pupils in grades nine through twelve at cost all supplies used by the pupils.	State share: 100 percent of calculation or prorated amount. Local share: None Extent of Participation: All 40 school districts participate. Prorated to all 40 districts based on $\frac{\text{ADA + ADM}}{2}$

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
SCHOOL LUNCH FUND $3,174,000 (1.03%) Title 53, Chapter 8, Utah Code Annotated, 1953, as amended)	
The State school lunch fund receives the yield of a special 8 percent sales tax on wine and liquor sold within the State. (Utah has a State-operated liquor monopoly system.) The law provides that the State Board of Education will apportion the yield of the tax among the school districts of the State on the basis of the number of Type A meals served in lunch centers of the public schools. This fund will provide slightly more than 7.5 cents per meal during fiscal 1978-79.	State share: 100 percent of calculated amount. Local share: None required. Extent of Participation: 40 school districts
EMPLOYEE BENEFITS	
STATE RETIREMENT & SOCIAL SECURITY $61,708,400 (20.05%) Utah Code Annotated 1953. 49-10-(1-46	
Retirement ($43,244,800)	
The cost of the employer and employee contribution required by local school districts under the provisions of the Utah Employees' Retirement Act. The amount is 10.0 percent of total wages paid to members. This is paid 100% by the State. 1975 legislation added an additional amount of 8.4% with 4.2% paid by the State and 4.2% as an employee contribution. (For 1978-79)	State share: 14.2% Local share: None. (Employee contributes share)
Social Security ($18,463,600)	
The cost of the employer contribution required by local school districts under the terms of the Federal Social Security Act. This is paid 100% by the State plus matching requirements paid 100% by the employee.	State share: 100 percent. Local share: None. (Employee contributes share)
CURRENT AID PROGRAMS, N.E.C.	
CLASSLOAD REDUCTION $4,210,000 (1.37%)	
Apportioned to each school district based upon the number of pupils in average daily membership in grades one through three in the district bears to the total number of pupils in such grades for the State. To reduce the average class in grades one through three to an average of 24 students for the districts. In districts where the average class size in grades one through three is less than 24 students, the district shall utilize its proportionate share of the funds to reduce class size in grades four, five, and six unless exception is granted by the State Board of Education.	State share: 100 percent Extent of Participation: All 40 districts participate. Prorated according to ADM for grades 1 through 3.
EXPERIMENTAL PROGRAMS $321,000 (0.11%)	
This fund is appropriated to the State Board of Education for allocation to school districts for total or partial funding of experimental programs proposed by local school districts. The programs selected for funding under this appropriation must be focused on priority problems established by the State Board of Education. School districts must submit their proposed experimental programs to the State Board of Education for approval. Not less than $100,000 shall be spent on inservice training activities for teachers and administrators designed to enable them to promote and teach the free enterprise system. Not more than three-fourths of this amount shall be used to provide stipends for educators enrolled in courses to improve their qualification and ability to teach about the free enterprise system.	State share: 100 percent of the allocated amount. Local share: None Extent of Participation: Varies annually

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
REGIONAL SERVICE UNITS $212,000 (0.07%) This fund is appropriated to the State Board of Education for subsidizing regional service centers organized and operated by school districts. Any regional group of school districts in the State may organize such a center and apply to the State Board for part of the appropriation. These units are located generally among smaller rural districts and provide for them on a free or part-pay basis services of various kinds which the districts are too small to provide for themselves. Examples of services are joint purchasing, instructional media equipment and materials, Special Education Specialists, etc.	State share: 100 percent of the funds provided by the legislature. Local share: None required. Districts included in areas served by regional units usually do contribute to the center an agreed amount or buy from the center at a less than total cost basis services which the center has available. Extent of Participation: 4 units -- 26 districts.
UTILITIES AND INSURANCE $2,650,000 (0.86%) The State's contribution to help pay costs of utilities and property, casualty and liability insurance shall be apportioned to school districts.	State share: 100 percent. Extent of Participation: Prorated to all 40 districts according to A.D.M.
CONTINGENCY FUND FOR THE STATE BOARD OF EDUCATION $428,000 (0.14%) The fund is appropriated to the State Board of Education. The State's contribution for the laboratory school at Utah State University shall be a part of this Contingency Fund and the State allocation will indemnify school districts against loss of funds caused by released of students to the laboratory school, and funds are also allocated to local school districts who have pupils attending out-of-state schools on an added cost basis.	State share: 100 percent of calculated or prorated amount. Local share: None
STATEWIDE EDUCATIONAL TELEVISION Est. $230,000 (0.08%) The preparation of statewide educational television programs during the school day.	State share: $185,000 est. Local share: $45,000 calculated at about 15¢ per pupil Extent of Participation: 40 school districts
CAPITAL SUPPORT PROGRAMS	
SCHOOL BUILDING EQUALIZATION PROGRAM 1978-79 $11,700,000 (3.80%) (Title 53, Chapter II, and 53-7-8.1, Utah Code Annotated, 1953, as amended) State Aid = State Supported Amount - Local (13.5 Mills) State Supported Amount would be the greater of (1) or (2) following: (1) Continuing formula amount. $110 X WPU's + .40 yearly Bond Principal* (2) Critical Formula Amount .33 [District Adjusted Survey Need - (.95 X unused bonding + reserves)] Plus yearly debt service *(Subject to limits)	State share: $11,700,00 The State supported amount will be the greater of the Continuing formula amount or Critical formula amount as computed for each district. In order to qualify for assistance under the school building State supported program a school district shall meet the following requirements: (a) Adopt a Comprehensive school building program which is accepted by the State Board of Education, and (b) Levy for the applicable year a property tax of 13.5 mills.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Utah also provides a $1,000,000 revolving loan fund for qualified districts unable to complete a school building project with existing district bonding and all other resources.	(c) Levy a tax of at least 18 mills which shall include the qualifying levy of 13.5 mills for each year the district qualifies for critical school building program assistance. (d) Commit uncommitted building funds in the district at the close of the fiscal year immediately preceding the year for which application for critical school building aid is made to the critical school building program. Revenues from bond sales committed to building projects not included in the updated critical needs shall be considered as available revenues. (e) In school districts where the proceeds of 13.5 mills equal or exceed the school building state supported program there shall be annually levied a property tax sufficient to provide funds for the orderly replacement of school building facilities in accordance with policies and procedures promulgated by the State Board of Education.

VERMONT

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Edward J. Fabian, Deputy Commissioner, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 41 percent of State-local revenues for elementary and secondary public schools for 1978-79.
2. State aid is primarily provided from annual appropriations.
3. No uniform per pupil amount is guaranteed by the State. Districts are reimbursed for a part of their expenditures in the second prior year with the percentage share varying according to district wealth.
4. The following assessment changes since 1975-76 have been reported:
    - "Listed Value" now equals 100 percent of the appraisal value instead of 50 percent.
    - "Equalized Grand List" used in the State's equalization aid formula is now defined as 1 percent of fair market value of taxable property. Taxable polls have been dropped.
    - A land use tax of 10 percent of the fair market value is charged when agricultural or managed forest land is converted to other uses.

LOCAL SUPPORT

1. There are 246 fiscally independent districts in the State.
2. Property taxes are the only source of local revenues.
3. There is no required minimum local contribution to the basic support program.
4. School tax rates are determined by an annual vote of district voters. There is no maximum district rate or levy specified by the State.
5. Districts cannot incur any indebtedness for public improvements, which exceeds ten times the grand list, except for bond issues where the proceeds will be used in conjunction with State construction aid.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
TOTAL $58,891,053 (100%)	
BASIC SUPPORT PROGRAMS $39,000,161 (66.23%)	
GENERAL STATE AID, VSA, Title 16 3441,3443-3445, 3469-3472 State will pay approximately 29 percent of the current operating expenditures (minus most Federal, State and tuition receipts) of second preceding fiscal year (1977). Pupil count is based on first 30 days of Average Daily Membership, fall 1977 school year, fiscal year 1978. No minimum tax effort is specified.	State Share: Varies inversely with district wealth per average daily membership as derived from the equalized grand list. The amount to each district varies from approximately 3% to 66% of local current expenditures. Local Share: Balance of costs. Extent of Participation: 246 districts with 106,938 pupils in A.D.M.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
SPECIAL EDUCATION FOR DISABLED AND HANDICAPPPED PERSONS $11,078,385 (18.81%) V.S.A., Title 16, Section 2948, 2951, 2953	State Share: The State pays the costs of special education which exceeds the average per pupil cost of the district. Also, the State provides a supplementary grant of 75 percent of the actual salaries and wages of teachers and aides. The State also contributes $2.00 per child for all children enrolled in a district towards the expense of evaluations for the purpose of establishing eligibility for special education. Local Share: Balance of costs. Extent of Participation: 7,976 pupils.
VOCATIONAL EDUCATION $3,213,541 (5.46%) V.S.A., Title 16, Section 168 State aid is paid to area high schools on approved vocational programs and transportation.	The formula will pay each approved L.E.A. a share of that L.E.A.'s expenditures. The formula has four factors: disadvantaged students, low income families, ability to pay, and unemployment per P.L. 94-482. Over 50% of the money must be allocated against the second and third factors. The formula is: State share (A) = P X District Need Index The District Need Index is determined as follows: DNI = 0.2 (DP) + 0.3 (LI) + 0.3 (EGL) + 0.2 (UN) Where: DP = Disadvantaged Pupil Index LI = Low Income Family Index EGL = Ability to Pay Index UN = Unemployment Index Each L.E.A.'s Share is calculated as follows: 1. Calculate DNI for each LEA 2. Multiply each LEA's expenditure by DNI to get weighted expenditure 3. Sum all weighted expenditures to get a total

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.		Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
		4. Divide State Funds available by total weighted expenditures to determine P 5. Multiply each LEA's Weighted Expenditure by P to get State's share.
DRIVER EDUCATION V.S.A. Title 16, Sections 1045-1048	$595,000 (1.01%)	State Share: State pays up to $60.00 per year for each pupil completing the course. Extent of Participation: 74 schools with 8,800 pupils.
PUPIL SUPPORT SERVICES		
CHILD NUTRITION V.S.A., Title 16, Sections 1261-2, 1264-5	$378,966 (0.64%)	
CAPITAL SUPPORT PROGRAMS		
CONSTRUCTION AID V.S.A. Title 16, Section 3447-50, 3456-7 For projects approved by State Board of Education	$2,500,000 (4.25%)	State Share: State pays 30% of all approved costs for construction, additions, alterations or acquisitions.
INDEBTEDNESS FOR SCHOOL CONSTRUCTION V.S.A. Title 16, Section 3448	$2,125,000 (3.1%)	State Share: State pays 20% of yearly payment on principal and interest on bond issues approved for construction

VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

F. Brent Sandidge, Assistant Superintendent for Administration and Finance, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 37 percent of State-local revenues for elementary and secondary public school in 1978-79. This amount includes the State sales tax rebate.
2. State funds for public schools were derived from appropriations for the 1978-80 biennium.
3. One percent of the State sales tax is returned to school districts on the basis of their school age population. These amounts are counted as part of the required local contribution to the basic aid program on the basis of calendar year receipts.
4. The State set the basic operations cost of the Standards of Quality Program at $901 per pupil for 1978-79.

LOCAL SUPPORT

1. The State has 141 fiscally dependent school districts.
2. Locally raised revenues for schools are not limited to property taxes. The local governing boards approve school budgets. There is no maximum local government tax rate or levy.
3. Local debt issues are limited to 18 percent of assessed valuation for cities only. County governments do not have that restriction.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$806,650,710	(100%)

BASIC SUPPORT PROGRAMS

STANDARDS OF QUALITY PROGRAM	$406,713,030	(50.42%)

Basic Aid Payments

This program entitled "Standards of Quality" (SOQ) provides funds for operation standards for grades kindergarten through 12 as prescribed by the Board of Education subject to revision by the General Assembly. This fund included "Basic Operation Cost" which is a provision for personnel at a ratio of 48 professional positions for each 1,000 pupils, or proportionate number thereof, in Average Daily Membership (ADM) for the same fiscal year for which the costs are computed. This fund includes provisions for driver education, library materials and other teaching materials, teacher sick leave, general administration, free textbook, operation and maintenance of school plant, transportation of pupils, instructional television, professional and staff improvement, summer school instructional costs other than personnel, school food services, remedial work of teacher education - staff improvement, fixed charges and other costs in programs not funded by the State and/or Federal categorical aid.

The calculation of the statewide cost of the aggregate personnel standard does not include the costs from supplemental retirement, social security and group insurance programs from State funds appropriated by other items of this act.

"Average Daily Membership" (ADM) except as used in the "composite Index of Local Ability-to-Pay", is the average daily membership for the first seven (7) months (or equivalent period) of the school year in which State funds are distributed.

"Composite index of local ability-to-pay" is an index figure computed for each locality. The composite index is the sum of 1/3 the index of wealth per pupil in ADM computed for 1975 and 1/6 the index of wealth per capita (1975 census estimate); the State average in the composite index is 50. The indexes of wealth are determined by combining the following constituent index elements with the indicated weighting: (1) true value of real estate and public service corporations as reported by the State Department of Taxation for the calendar year 1975 - 50 percent; (2) individual income level for the calendar year 1975 as determined by Tayloe Murphy Institute at the University of Virginia and as reported to the Department of Education no later than December 15, 1977 - 40 percent; (3) the sales for calendar year 1975 which are subject to the State general sales and use tax - 10 percent. Each constituent index element for a locality is its sum per ADM, or per capita, expressed as a percentage of the State average per ADM, or per capita, for the same element.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Total cost of basic operation cost for the locality less the locality's revenues from State sales and use tax returned on the basis of school age population for sales in the calendar year preceding that in which the school year begins and less the required local expenditure.

Local share: Total cost of basic operation cost for that locality less the locality's revenues from State sales and use tax returned on the basis of school age population for sales in the calendar year preceding that in which the school begins the result of which is multiplied by the localities composite index. The State and local share may be computed as follows:

1. Basic Cost per pupil ($901) x ADM = Total Cost of Program
2. Deduct 1% sales tax revenue from Total Cost of Program
3. Multiply remainder by Local Composite Index = Local Share
4. Deduct Local Share from Total Cost of Program = State Share

In order to determine if a school division has met its required local expenditure, deduct from the locality's total cost, all capital outlay and debt service, receipts from State categorical aids (other than capital outlays), receipts from Federal categorical aids (other than Public Law 81-874 and for capital outlays), receipts for gasoline tax refunds, tuition from another county, or city, other payments from other State agencies and others. From this amount will be deducted the State share of the basic operation cost and the State sales and use tax returned (on basis of school age population) for sales in the calendar year preceeding that in which the school year begins. The result of the above calculation must be equal to or greater than the required local expenditure. Should the remainder be greater than the required local expenditure, this amount may not be reduced unless the locality first complies with all the prescribed Standards of Quality.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

"Required Local Expenditure" is defined as the locality's composite index times the excess of its basic operation cost over its revenues from State sales and use tax returned on the basis of school age population.

Basic Aid Payments represent basic operation cost and payments in addition to that cost. Basic operation cost is established at $901 per pupil in ADM for the Fiscal Year 1978-79. However, if a locality determines that it can maintain an educational program meeting the prescribed standards of quality at a lesser cost per pupil, such locality may claim a lesser allocation of State funds, but no locality shall spend less than $855 per pupil.

General conditions of Standards of Quality Funding: Each locality shall offer a school program which is acceptable to the State Department of Education as conforming to the SOQ program requirements.

Other funding provisions affecting Basic Aid Payments are as follows:

NO LOSS PAYMENTS $9,736,095 (1.21%)

No locality shall receive from the total of the Basic Aid Payments (Basic operations Cost - $901) a lesser amount than it would have received for the last year of the previous biennium for the same purposes from the State fund appropriation if that full appropriation had been available for distribution: provided, however, that this no loss guarantee will not be applicable to the extent there is a loss of pupils in ADM.

INCENTIVE PAYMENTS $10,000,000 (1.24%)

An additional incentive State payment if the local public school operation expenditures exceed the required local expenditure as computed for Basic Aid Payments on an assumed cost per pupil in ADM of $901 to a limit of $1200 per pupil. The State payment shall be 5% of such excess expenditure.

DRIVER EDUCATION PAYMENTS $1,849,000 (0.23%)

a) This payment shall be made only from non-general funds collected and paid into the Driver Education Fund established pursuant to specific general laws of Virginia.

b) Notwithstanding any contrary provisions of law, the apportionment to localities of this payment shall be made as an undesignated component of the State share of the basic operation cost. However, revenues collected in excess of the amount listed in this subprogram shall be apportioned to the localities on a pro rata basis relative to the number of pupils completing an approved driver education course, subject to rules and regulations of the Board of Education.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Other Provisions to Basic Operation Cost. In event the total State sales and use tax revenues distributed to localities is less than that estimated by Department of Taxation, the State share and the required local expenditure shall not be increased. Estimates of State sales and use tax are furnished to localities not later than April 1 in the year the school year begins.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
ADDITIONAL STANDARDS OF QUALITY FUNDING: These are programs mandated by the constitution, defined by the Board of Education and revised by the general assembly.	
SPECIAL EDUCATION PAYMENTS $23,354,845 (2.90%)	
The specific amount to be allotted for each condition of exceptionality, as defined by Department of Education, shall be determined by Department of Education on the basis of the individual program required. Payments are based on current year costs and vary by type of handicap.	
OCCUPATIONAL-VOCATIONAL EDUCATION PAYMENTS $21,879,550 (2.71%)	
An additional State payment for each pupil in ADM who is enrolled in a full-time vocational program approved by the Department of Education. The specific amount for each pupil in ADM will be determined by the Department on the basis of the individual program.	
GIFTED AND TALENTED PAYMENTS $ 1,584,600 (0.20%)	State share: $50 per pupil not to exceed 3 percent of the total number of pupils in ADM in the locality.
ADULT EDUCATION PAYMENTS $ 377,500 (0.05%)	
An additional State payment for general adult educational programs in the proportion of 60% of a fixed cost per pupil or cost per class.	
FOSTER HOME CHILDREN $ 1,626,240 (0.20%)	
An additional State payment for the prior year's local operations cost, as determined by the Department of Education, for each pupil who is attending public school in the locality although previously a resident in another locality, because of placement in a foster home by the Department of Corrections.	
AID TO LOCALITIES OTHER THAN STANDARDS OF QUALITY:	
OTHER BASIC SUPPORT PROGRAMS	
DIVISION SUPERINTENDENT SALARIES $ 777,695 (0.10%)	
Pays the State's share of the basic salary of division superintendents each year of the biennium.	
SALES TAX PAYMENTS $174,800,000 21.67%)	
A portion of net revenue from the State sales and use tax is distributed to localities for maintenance, operation, capital outlays, debt and interest payments, and other expense incurred in the operation of free public schools.	State share: The funds are distributed to localities on the basis of school-age population.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
SUMMER SCHOOL PAYMENTS $ 1,200,000 (0.15%) This funding program provides an opportunity for pupils to participate in courses not completed satisfactorily and to take new credit work during the summer.	State share: One-half of the per-pupil cost not to exceed $25.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special Education) Vocational Education) Driver Education) See also Basic Support Program Adult Education) Foster Home Children)	
SPECIAL EDUCATION PAYMENTS $15,939,075 (1.98%) This amount represents State funds not federally matched for special education programs, including: homebound instruction; preschool age handicapped children programs; hospital; clinic and detention home teachers; training for special education personnel; transportation for certain handicapped children; tuition assistance for eligible handicapped children; and vocational education for the handicapped.	
PUPIL SUPPORT PROGRAMS	
PUPIL TRANSPORTATION PAYMENTS $20,500,000 (2.54%) This total amount is available as reimbursement to the localities for the transportation of pupils to and from school.	State share: Board of Education regulations provide, among other specifics, that for eligible localities, 40% of the appropriation available be distributed on the basis of the number of pupils transported, 40% on the number of miles traveled by each bus, and 20% on the number of buses meeting State standards.
TEXT RENTAL PAYMENTS An estimated $1,850,000 will be available for distribution. The statewide rental or free textbook system to provide an amount not exceeding $2.00 per pupil enrolled in a school division. The additional provision from this item shall be paid only from any unexpended general fund balance, as of June 30, 1978, in excess of that estimated for submission to the General Assembly of the Budget Bill in January 1978.	
EDUCATIONAL TELEVISION $ 2,795,600 (0.35%) The amount of $2,795,600 was appropriated to carry out public telecommunication services, including television programs as requested and approved by local school divisions and the Department of Education pursuant to the Master State Plan for Public Telecommunications.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
SCHOOL FOOD $5,226,015 (0.65%)	
EMPLOYEE BENEFITS	
SOCIAL SECURITY BENEFITS $42,133,980 (5.22%)	
The program includes reimbursement to each local school board of the actual employer's Social Security payments made by it, on behalf of teachers, to the Contribution Fund pursuant to the Code of Virginia.	State share: Payment by the State for a local school board shall be limited for professional instructional staff members to the employer's cost for a number not exceeding 48 per 1,000 pupils in ADM, and for their salaries not exceeding an average of $11,866.
GROUP LIFE INSURANCE $3,104,640 (0.39%)	
The program includes the State contribution on behalf of teachers who participate in group insurance.	
TEACHER RETIREMENT PAYMENTS $62,002,845 (7.69%)	
This program includes the State contribution, on behalf of teachers to the retirement allowance account as provided by the Code of Virginia.	
CURRENT AID PROGRAMS, N.E.C.	
PILOT STUDIES PAYMENTS $1,050,000 (0.13%)	
The funding under this program provides local school divisions assistance in conducting research projects designed to improve the quality of education.	

WASHINGTON

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Maynard J. Mathison, Director, School Fiscal Services, served as the State authority for preparation and review for this program report.

Selected School Finance Facts

STATE SUPPORT

1. Approximately 68 percent of the State-local revenues for elementary and secondary public schools were provided by the State.

2. A statewide property tax is collected at the rate of $3.60 per $1,000 of assessed valuation as adjusted to 100 percent of true and fair value by the county assessment ratio. This tax yielded $296.3 million for 1978-79 and comprised 40 percent of the State revenues for public schools.

3. General Fund appropriations for public schools covered the 1977-79 biennum. In addition, the following funds were earmarked for 1978-79:
   a. State Forest Funds earmarked for the Common School Construction Funds--$102.6 million;
   b. 20 percent surtax on moving violations earmarked for traffic safety education--$7.6 million.

4. A new apportionment formula for the basic support program was implemented in the 1978-79 school year. Funding which had previously been based on weighted pupils was replaced by a system of staff units based on full time equivalent pupils. The State guarantee for each district is then based on its salaries for the number of formula generated certificated and non-certificated employees. The State guaranteed salary improvements of 4, 6, or 9% in the district depending upon the comparison of the district's average salary to the average statewide salary, whichever is higher. The allowable annual percentage growth in salaries varies inversely with district current salaries. Districts with the highest current salaries are restricted the most. The aim is to narrow the interdistrict expenditure gap. In 1978-79, appropriations funded 85 percent of the authorized full level of guaranteed funding.

5. The basic aid guarantee varies among the districts, primarily because of salary differences, but the average guaranteed amount represents about 75 percent of statewide average per pupil cost of $1,611.

LOCAL SUPPORT

1. The State has 300 fiscally independent school districts.

2. Local property taxes passed as excess levies in 1978-79, amounted to $306 million. This amount excludes the state required property tax. The actual amount levied was $295 million at an average rate of $4.73 per thousand and accounted for 66 percent of all local revenue.

3. A county one percent real estate transaction tax amounted to $101 million and accounted for an additional 22 percent of local revenues in the same year. Miscellaneous fees and rentals and in lieu of excise tax payments provided the balance of local funds. No nonproperty local taxes are authorized for school purposes.

4. Commencing with the 1978-79 school year, 1979 tax collection year, excess levies on real and personal property are limited to ten percent of the prior year's basic education allocation calculated at 100 percent of formula plus the difference between the actual basic education funding level and 100 percent of formula. If the total revenue per pupil for the succeeding year does not at least equal 104 percent of the total revenue per pupil for the prior year, an excess levy may be authorized to make up the difference.

5. Excess levy funding for public schools requires a 60 percent voter approval with 40 percent of the voters voting in the previous elections needed to validate the election. Excess levies may be authorized for no more than two years with voter approval.

6. Basic local school support from property taxes (excluding special levy taxes on property) is collected at the State level and is distributed to schools in the apportionment formula on an equalized basis.

7. Some $124 million was the local contribution to the basic support program for 1978-79. The source of these funds are itemized under "Local Share" of the basic Support Program, on the following page. The amount reported excludes property taxes collected as a statewide tax.

STATE SUPPORT (cont'd)

6. As evidence of property tax relief achieved under the new program of State aid, the State reports a decline in excess levies approved for collection in 1979 from $306 million to an anticipated collection of $146 million in 1980.

7. The employer contributions to the Teacher's Retirement System and for Classified Personnel are programs fully funded by the State and are not reported as school aid in the program description. The 1978-79 State contribution was $89.2 million.

8. In Seattle School District No. 1, Et. Al, v. State of Washington, the State Supreme Court ruled in September 1978, that the State had not met its constitutional duty to fund ample education in a general and uniform way.

LOCAL SUPPORT (cont'd)

8. The district debt limit is equal to 3/8 of one percent of the value of taxable property without voter approval. With a 60 percent voter approval, the debt limit rises to 2½ percent of taxable property. Again, with a 60 percent voter approval, the debt limit rises an additional 2½ percent of taxable property values.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL	$976,389,983	(100.0%)

BASIC SUPPORT PROGRAM

GENERAL FUND--BASIC SUPPORT PORTION (Current expense, Grades K-12) (Ch. 339, Laws of 1977 1st Ex. Sess.)	$746,243,000	(76.43%)

1. The apportionment formula provides a guaranteed level of support for local school districts using certain local sources in combination with State funds. The "guarantee level" for 1978-79 varies by district depending on salary levels for both certificated and classified personnel, number of vocational-secondary pupils, and by size of district if a small high school (less than 300 pupils) and/or if remote and necessary as approved by the State Board of Education.

Districts were divided into three groups, according to salary levels: 1) maximum control level districts; 2) above average districts; and 3) below average districts. Each year, salary increases for each district in the first group are limited to 4 percent of the district's current salary. Districts in the second group may increase salaries by 6 percent, but not to exceed any salary paid by districts in the highest group. Districts in the lowest group may increase salaries up to 9 percent of their current year level. Districts with below average salaries have an incentive to raise salaries to the statewide average which is fully funded by the State. Salary increases are funded in the first year from local revenues sources, but in subsequent years come under the provisions of the general Fund Basic Support Portion.

The State average guarantee per full-time-equivalent pupil, current year, is $1206--maximum $11,681. There is one district with only three pupils receiving the maximum amount. There is one district with 48 pupils receiving only $863 per pupil due to extremely low salary levels.

(a) Total Base Enrollment. Each full-time-equivalent pupil (FTE) is counted as the base enrollment. Included in this fugure are kindergarten pupils at one half, all FTE pupils in grades 1-12 and part-time students from private schools.

An allocation of one certificated staff unit is provided for each 23.5 FTE pupils; one classified unit for each three (3) certificated units; and one nonemployee-related cost unit for each certificated unit. (When fully implemented the plan calls for 1 certificated unit for each 20 FTE pupils).

(b) Secondary-Vocational. One certificated staff unit is allowed for each 19.6 secondary-vocational FTE pupils enrolled (900 annual hours). (At full implementation, one certificated unit will equal 16.67 vocational secondary FTE pupils). ($37,383,591)

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Beginning January 1, 1975, basic property tax payments began to be collected by the State. The regular assessment of property tax had previously been a local revenue which was deducted from the total support level. The deduction was computed using an assessed valuation adjusted by the particular county assessment ratio. This revenue is now a State resource and is included as a portion of the funds used to meet the State's obligation to maintain the support level. The actual tax is paid at the basic rate of $3.60 per $1000 of assessed valuation at 100 percent as is adjusted by the county assessment ratio. The actual adjusted tax rate is expected to be $4.60 per $1000 of assessed valuation payable in the 1979 calendar year.

Local share: Local revenue is deducted from the total support level. This procedure equalizes the revenue deducted since local dollars reduce the State payment necessary to reach the guaranteed support level. Local revenues deducted at 100 percent include:

(a) Real Estate Transaction Tax (1% of the sale price of property).

(b) State In-Lieu-Of Tax Payments (not P.L. 874).

(c) County Forest Funds.

(d) Public Utility District Excise Tax.

(e) State Forest Funds, due from an excess levy.

(f) Timber Excise Tax Reserve Fund, due from a special levy.

(g) Federal Forest Reserve Funds.

(h) Federal In-Lieu (other than P.L. 874).

Total local dollar contribution is estimated at $124 million.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
(c) Remote and Necessary Districts or Plants within Districts. The State Board of Education has judged all districts with less than 100 FTE pupils to be remote and necessary. An allocation of 2.5 certificated staff units is provided for the first 60, or any part thereof, FTE in grades K-6; .85 certificated staff unit for the first 20, or any part thereof, FTE in grades 7-8. After 60 or after 20 FTE, one certificated staff unit for each 23.5 FTE is allowed. ($34,100,803)	Extent of participation: 300 Total Districts 296 are eligible for State funds 4 districts enrolling 1215 pupils will not receive State apportionment aid in 1978-79 because of large amounts received of Federal Forest funds.
(d) Small High Schools. For districts operating high schools with less than 300 FTE pupils, 8.1 certificated staff units have been provided for the first 60 FTE pupils (or part thereof if total 9-12 enrollment is less than 60 FTE); .85 certificated staff unit for each 43.5 FTE pupils up to the 300 pupil level.	
(e) Salary Levels. The 1977 Legislature embarked on a program to equalize certificated and classified salaries over a period of time. The 1976-77 average salaries improved each year by 4 percent for highest paying districts, 6 percent for those above average, and 9 percent for below average districts, plus 7 percent for fringe benefits (district costs) for certificated personnel and 14 percent (includes district retirement contribution) for classified personnel are the basis for this calculation.	
(f) Nonemployee-Related Costs. For pupils in basic education programs, the nonemployee-related costs allocation is $155.32, for vocational-secondary pupils (FTE) it is $328.47. These are expressed in terms of $3650 and $6438 per certificated staff unit.	
(g) Enrollment Decline Certificated Staff Units. To provide an alleviation for absorbing costs in districts where enrollments between 1977-78 and 1978-79 have declined by 300 pupils or 4 percent, whichever is less, certificated staff units--one per 23.5 pupils--will be allowed for one-half of the decline. For example, if a decline of 94 pupils equaled 4 percent, then an allocation of one certificated staff unit for each 23.5 pupils for half of 94 pupils or 47 divided by 23.5 = 2 units would be provided at the district's certificated staff compensation level. There would not be a classified unit or a nonemployee related costs allocation made for these units. ($5,683,101)	
(h) 1978-79 Allocations are based upon 85 percent of the formula.	

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

FUND FOR EDUCATION OF HANDICAPPED CHILDREN $48,994,549 (5.02%)
(Ch. 339, Laws of 1977 1st Ex. Sess.)

Basic apportionment support is paid for all FTE students, including those pupils with physical, emotional and learning handicaps. In addition, a separate appropriation and distribution of approved excess cost funds is made for handicapped pupils.

Excess cost funds provide additional revenue to local school districts to provide handicapped education programs. Additional teaching staff, above what exists for the basic program, are allowed local districts to provide teacher/pupil ratios determined essential for differing types of handicapping conditions. These ratios are:

Handicapped	Self-Contained Classroom Pupil/Teacher Ratio
1. Multiple Handicapped	6 to 1
2. Sensory Handicapped, Blind	6 to 1
3. Sensory Handicapped, Hearing Impaired (Deaf and Hard of Hearing)	6 to 1
4. Gross Motor & Orthopedically Impaired	8 to 1
5. Mental Retardation, Severely & Profoundly Retarded	8 to 1
6. Neurologically Impaired	8 to 1
7. Emotionally Disturbed	10 to 1
8. Mentally Retarded, Moderately Retarded	10 to 1
9. Sensory Handicapped, Partially Sighted	12 to 1
10. Mentally Retarded, Mildly Retarded	13 to 1
11. Language Learning Disability[1]	15 to 1

Resource room teachers are also funded on the basis of a 35 to 1 pupil/teacher ratio. Student time in a resource room is limited to a maximum of two hours per day.

Students in agency programs and preschool students are eligible for funding. A district may also contract with another school, agency or institution for services.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: The State approved excess cost level is currently funded at 100 percent of the allowable, approved excess cost. Educational service district (regional educational agency) programs are also 100 percent State supported. Educational service districts provide psychological, communication disorder specialists and other therapist services on a regional basis for some local districts.

Local share: The local share is for any enrichment beyond State mandated levels which a local district may provide.

Extent of participation: 220 School Districts
9 Educational Service Districts

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[1] Due to fiscal limitations, the learning disability population allowed for districts cannot exceed 1½ percent of the total enrollment to be served by a serving district. This limit applies to the combined total of the self-contained and resource room learning disability enrollments against the serving district and participating district's total enrollments. Federal funds are used for LLD programs above this level, as this is a nonsupplant level figure.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Support service personnel are provided based on an allowable ratio of one for each 1500 students enrolled in the district. These services include speech therapists, psychologists, etc. Homebound student instruction is funded on a need/request basis. If room and board costs are necessary for a child, the costs are reimbursable. Transportation, if special education pupils, is covered by the transportation program allocations. In addition, supplies, materials and travel are allowed on an excess cost basis. Administrative and secretarial funding is also provided. Educational service districts (regional education entitites) provide coordination and itinerant services to local school districts. Cooperative programs between school districts are encouraged to provide service opportunities for all children in the State.	
VOCATIONAL-TECHNICAL SCHOOLS FUND (Ch. 339, Laws of 1977 1st Ex. Sess.) $15,767,513 (1.62%) An appropriation is made to provide State support for the operation of five approved vocational-technical schools. The State allowance is provided on the basis of $1990.30 per FTE pupil. Additional support is provided from basic apportionment funds for salary improvements to employees.	State share: 100 percent of the approved level of FTE enrollment. Local share: Additional student enrollment may be funded by the local school district. Extent of participation: 5 Districts
Vocational Education . . . . See also Basic Support Program	
URBAN, RURAL, RACIAL AND DISADVANTAGED FUND (Ch. 339, Laws of 1977 1st Ex. Sess.) $ 7,294,203 (0.75%) Appropriated funds for school district programs aimed to help the student who, because of minority or poverty background, is not progressing in school. Program funds are awarded on a grant basis to school districts. The program supplements local and Federal program efforts for urban, rural, racial and disadvantaged students.	State share: The program is funded totally from State appropriations. Extent of participation: 38 Districts

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**
STATE INSTITUTIONS FUND $ 6,335,978 (0.65%) (Ch. 339, Laws of 1977 1st Ex. Sess.) A separate appropriation is made to the Office of the Superintendent of Public Instruction for distribution to State institutions for educational programs. The institutions are operated by the State Department of Social and Health Services. The school districts are allotted funds to provide approved educational programs to children who reside in State hospitals or other institutions.	State share: 100 percent of the approved amount. Local share: None Extent of participation: 16 Districts
PUPIL SUPPORT SERVICES	
TRANSPORTATION REIMBURSEMENT $63,258,529 (6.48%) (Ch. 339, Laws of 1977 1st Ex. Sess.) The State reimbursement of school district transportation expenses for 1978-79 will be approximately 90 percent of the approved "to and from" school costs. Approved "to and from" school mileage is allowed at varying rates per mile by type of bus. Insurance and salary costs are also included in the reimbursement allowance. School bus depreciation is also paid from State sources up to 90 percent of the purchase price of the bus.	State share: Approximately 90 percent of the approved amount of "to and from" school costs. Local share: Ten percent of approved "to and from" school costs plus 100 percent of extracurriculum mileage costs. Extent of participation: 300 Districts
SCHOOL FOOD SERVICES MATCHING FUND $ 4,621,192 (0.48%) (Ch. 339, Laws of 1977 1st Ex. Sess.) State funds are appropriated to provide the State share of the total school lunch program in school districts. The State is required by Federal actions to match 10 percent of the school lunch operations cost. The current State share is calculated at a rate of $.044 per Type "A" lunch served. Compensation increases at the district's average salary levels percentages (see Basic Support Program 1(e)) are provided each district operating a Food Services program.	Joint contribution from State sources at the rates noted plus Federal funds and local funds (including a student charge for per lunch served). Extent of participation: 264 of 300 Districts
DISTRICT CHARACTERISTICS	
Remote and Necessary Schools . . . . See Basic Support Program	
Small High Schools . . . . See Basic Support Program	
CAPITAL SUPPORT PROGRAMS	
SCHOOL BUILDING CONSTRUCTION FUND $83,875,019 (8.59%) (Ch. 338, Laws of 1977 1st Ex. Sess.) Amount of State assistance is graduated downward from 90 percent of the approved project cost, depending upon the relationship of the adjusted valuation per pupil in the district to the State average adjusted valuation per pupil. Allotments in excess of the amounts allowable under strict application of the statutory formula may be made by the State in case of emergency.	State share: 90 percent or less of the approved project cost, depending on the formula. Local share: Ten percent or more of approved project cost, depending on the formula. Extent of participation: Variable number of Districts.

WEST VIRGINIA

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Dewey Randolf, Assistant Superintendent, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided an estimated 65 percent of the State/local revenues for public schools in 1977-78.
2. The State funds are derived from annual appropriations.
3. State guaranteed aid per pupil varied among districts between $449 and $740 in 1978-79.
4. The State has reported substantial growths in the professional staffs of school districts. Between 1970-71 and 1978-79, the number of certified professional educators rose from a statewide average of 43.63 per 1,000 adjusted enrollment to 52.19.
5. In the case of Pauley et al v. Kelly et al (West Virginia Supreme Court of Appeals #14036), the Court remanded the case to the Circuit Court of Kanawha County for "evidentiary development." The Supreme Court retained its interest in the case and noted, among other things, that the 'Thorough and Efficient' clause contained in the West Virginia Constitution requires the Legislature to develop a high-quality statewide education system.

LOCAL SUPPORT

1. There are 55 fiscally independent school districts in the State.
2. Property taxes constitute the sole source of local tax revenues for the public schools.
3. Approximately $150,000,000 was raised by local school tax revenues in 1978-79 of which $51,000,000 was the required local share of the basic support program. The Basic Foundation Program Allowances charge each county with a computed local share which results in a net state aid allowance, but counties do not contribute or transfer any of their local revenues to this aid program. The charge is actually borne by the school districts.
4. Of the locally raised revenues, 53 percent were levied by school boards without voter approval and 47 percent were additional levies which required a three fifths majority vote.
5. Required local support for participation in the State foundation program ranges from 1.96 to 7.84 mills, depending upon the class of property.
6. Maximum regular property tax rates for schools are as follows:
    a. Class I property-inventories, bank stock and livestock--current expense, 2.11 mills; permanent improvement, .15 mills; debt service, .035 mills; total, 2.295.

LOCAL SUPPORT (Cont'd)

b. Class II property owner-occupied homes and farms -- current expense, 4.22 mills; permanent improvement, .3 mills; debt service, .07 mills; total, 4.59.

c. Classes III and IV property--current expense, 8.44 mills; permanent improvement, .6 mills; debt service, .14 mills; total, 9.18. Class III property includes business, industrial and personal properties outside cities. Class IV properties and are the same classes of properties inside cities.

7. Counties may adopt for a period of not more than 5 years a special added tax levy of up to 100 percent of the authorized rates for specified operating and/or capital expenditure purposes provided at least 60 percent of those voting at such election vote in in favor of such an additional levy.

8. School bonds for capital outlay may be issued to 5 percent of the assessed valuation of the county if 60 percent of those voting in an election on the proposal approve it.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $375,729,314 (100%)

BASIC SUPPORT PROGRAMS

BASIC SCHOOL SUPPORT PROGRAM (Ch. 18, Art. 9A, Secs. 1-10, Code of West Virginia) $283,044,879 (75.33%)

Allowance for Professional Educators (Ch. 18, Art. 9A, Sec. 4, Code of West Virginia) ($215,066,072)

Amount per teacher employed based on annual salary schedule:

Teacher Certificate	Basic Allowance per year (minimum)	Years to reach maximum (allowed)
Bachelor's Degree	$8,655	13
Bachelor's +15	$9,155	13
Master's Degree	$9,655	16
Master's +15	$10,155	16
Master's +30	$10,655	19
Doctorate	$11,155	19

$257 is added for each allowed year of teaching experience. "Teacher" is defined to include all certified professional staff. This program provides a basic salary allowance for every certified professional employee, with a ceiling of 55 professionals per 1,000 pupils.

Allowance for Other Personnel (Ch. 18, Art. 9A, Sec. 5, Code of West Virginia) ($43,013,214)*

An amount equal to 14 percent of State total professional salaries allocated proportional to adjusted enrollment.

An amount equal to 6 percent of the same total distributed in proportion to the number of bus drivers employed.

Allowance for Fixed Charges (Ch. 18, Art. 9A, Sec. 6, Code of West Virginia) ($20,775,383)*

The current Social Security rate plus 2 percent applied to the sum of the allocations for professional educators and for other personnel.

*Amounts represent the total of State and local funds.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Sum of the seven allowances described in left column minus the local share. ($283,044,879)

Local Share: Required local support for participation in the State Foundation Program ranges from 1.96 to 7.84 mills, depending upon the class of property. ($52,749,118)

Extent of Participation: 55 counties. All districts are countywide.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
Allowance for Transportation (Ch. 18, Art. 9A, Sec. 7, Code of West Virginia) ($11,013,013)* a. 80 percent of transportation cost for maintenance, operation, etc., exclusive of salaries. b. Cost of insurance if premiums secured through bidding. c. 10 percent of replacement costs of the bus fleet. d. 80 percent of cost of contracted services. e. In lieu of transportation equal to State average allocation per pupil. There is a ceiling of 133 percent of State average cost per mile.	
Allowance for Administrative Costs (Ch. 18, Art. 9A, Sec. 8, Code of West Virginia) ($2,150,665)* A flat amount to each county based upon 1 percent of the State total allocation for professional educators.	
Allowance for Other Current Expenses (Ch. 18, Art. 9A, Sec. 9, Code of West Virginia) ($25,807,929)* 10 percent of the State total of professional educators and other personnel salaries allocated in proportion to adjusted enrollment.	
Allowance Toward National Average (Ch. 18, Art. 9A, Sec. 10, Code of West Virginia) ($17,967,721)* Increases in total local share and balances from the General School Fund allocated proportional to adjusted enrollment.	
SUPPLEMENTAL SALARY PROFESSIONAL EDUCATORS $42,339,314 (11.27%) To provide $1,200 per professional educator and increases in minimum schedule of $390 to $500 difference in classes of AB and above and in experience increment of $205 to $257 for AB and above, plus 8.05% for fixed charges "outside" of the basic school support program.	State Share: 100 percent. Extent of Participation: All districts.
MINIMUM SALARY SUPPORT FOR SERVICE PERSONNEL $26,174,289 (6.97%) To fund difference between contracted salary of initial year plus increases in minimum salary scale in subsequent years for service and auxiliary personnel, "outside" of the basic school support program.	State Share: 100 percent. Extent of Participation: All districts.

*Amounts represent the total of State and local funds.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
EARLY CHILDHOOD AIDES $3,099,096 (0.82%) To provide state minimum salary for one Early Childhood Aide for each Early Childhood teacher, "outside" of the basic school support program.	State Share: 100 percent. Extent of Participation: All districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS	
EXCEPTIONAL CHILDREN FUND (Ch. 18, Art. 20, Secs. 1-5, Code of West Virginia) $6,982,000 (1.86%) Salaries and travel for teachers of exceptional and homebound pupils; testing of exceptional children; general classroom equipment and supplies, minor remodeling of structures to meet handicapped pupils' needs.	State Share: 100 percent of calculated amount. Local Share: All additional special costs not covered by this distribution. Extent of Participation: 55 counties.
VOCATIONAL EDUCATION FUND (Ch. 18, Art. 10, Secs. 5 and 8, Code of West Virginia) $9,812,753 (2.61%) Funds are allocated based upon a formula using student contact hours reported at the end of the first school month of the current year. Requests for construction funds that are submitted are ranked in order of priority by means of a weighted points system.	State Share: 100 percent of funds allocated through a formula are distributed to supplement other local funds for salaries of new instructors, instructors employed more than ten months, and other current expenses for vocational programs. In addition to State money indicated, Federal funds are provided. State funds are also used to match Federal funds allocated for construction. Local Share: All costs not covered by reimbursement. Extent of Participation: 55 counties.
SAFETY EDUCATION FUND (Ch. 18, Art. 2, Secs. 17-21 Code of West Virginia) $210,000 (0.06%) Number of students completing driver education course multiplied by $10.	State Share: $10 per pupil completing course; in addition Federal funds are provided. Local Share: Remainder of the cost of the program. Extent of Participation: 55 counties.
ORPHANAGE AID FUND (Ch. 18, Art. 9, Sec. 7, Code of West Virginia) $47,156 (0.01%) Equal to the per capita cost of education for the preceding year and the total number of pupils from children's homes enrolled in the public schools.	State Share: 100 percent of calculated amount, prorated in relation to amount available for distribution. Local Share: None. Extent of Participation: 7 counties.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
PUPIL SUPPORT SERVICES	
Transportation — See Basic Support Program.	
SCHOOL LUNCH FUND (Budget Document) — $1,918,755 (0.51%)	State Share: 100 percent of calculated amount. Local Share: None. Extent of Participation: 55 counties.
CURRENT AID PROGRAMS, N.E.C.	
INCENTIVE FOR PROGRAM IMPROVEMENT (Ch. 18, Art. 9A, Sec. 14, Code of West Virginia) — $1,464,093 (0.39%) Counties having ratios of adjusted enrollment to professional staff higher than the State average will be granted advance funds to employ additional staff to reach the State average, provided, that in any one fiscal year no more than one-half of such additional staff may be counted under this provision. Such funds shall be granted to each eligible county based on data at the end of the third month of school but only on the basis of actual staff members employed.	State Share: 100 percent of calculated amount. Local Share: None. Extent of Participation: 31 counties.
ALLOWANCE FOR INCREASED ENROLLMENT (Ch. 18, Art. 9A, Sec. 15, Code of West Virginia) — $636,979 (0.17%) Upon determination of the several increases in the respective counties' net enrollments, as of the close of the third month, each county showing such increase shall be allocated an amount equal to that county's average per net pupil total State aid multiplied by the increase in that county's net enrollment. If the amount appropriated for this purpose shall not be sufficient to provide payment in full for the total of these several allocations, each county allocation shall be reduced to an amount which is proportionate to the appropriation compared to the total of the several allocations.	State Share: 100 percent of calculated amount. Local Share: None. Extent of Participation: 15 counties.

WISCONSIN

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Roland M. Rockwell, Director, Bureau of School Finance Services, served as the State authority for preparation and review for this report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 38 percent of the State and local revenues for elementary and secondary public schools.

2. State aid is derived largely from annual appropriations.

3. The State basic aid program guarantees 100.4 percent of the statewide average yield per mill. This primary guaranteed yield applies to 93 percent of total school costs. The remaining costs are shared with the State on a reduced guaranteed basis (secondary guaranteed basis) or are excluded from sharing.

4. The State reports that expenditure desparities between the districts with the pupils at 5th and the 95th percentiles have decreased from 54.3 percent difference in expenditures to a 52.3 percent difference between 1975-76 and 1978-79. The correlation between district wealth and district expenditures remained virtually unchanged moving from +0.33 in the earlier year to +0.35. Total local taxes levied for school purposes increased by 21.8 percent compared to an estimated inflation rate of 22.8 percent over the same period. At the same time, the strong negative correlation between district wealth and state equalization aid was strengthened from -0.81 to -0.84.

5. Since 1975-76, the following new features have been added to the General Aid formula:

   - Personal property tax relief
   - Supplemental (tax incremental) aid
   - Special adjustment aid
   - Declining enrollment increment

   In addition, new programs were established for bilingual-bicultural education aid and special transfer integration aid.

LOCAL SUPPORT

1. The State has 384 fiscally independent and 41 fiscally dependent school districts.

2. Property taxes constitute the sole source of local tax revenues for the independent school districts. Counties provided $1.8 million to school districts. County tax revenues are used to support programs of county handicapped children's education boards.

3. The State requires a minimum 3 mill levy for participating in the basic support programs for K-8 and high school districts and 5 mills for K-12 districts.

4. In 365 high school and common school districts with a total membership of 445,460, an annual meeting is held to vote on the tax levy of the district. However, the district boards are empowered to increase the levy if the operational expenses exceed current revenues. In the 18 unified districts with a total membership of 91,300, the school boards set the levy without voter approval. In the one city of first class, with a membership of 97,396, the school board prepares the budget and the city council is obligated to levy a tax sufficient to meet the budget requirements. Wis, Stat. 65.90.

5. Under Wis. Stat 121.93, a vote of the electors in a district is required to approve proposed expenditures beyond the cost control limits of 109.5 percent of the previous year's controllable cost per pupil.

6. Districts may appeal to the State superintendent for an increase in their cost control limits for certain specified purposes, such as the development of special education programs, the utilization of new building space, the implementation of a plan to eliminate racial imbalance or for special transportation purposes.

7. Under Wis. Stat. 67.03, the debt limit is 10 percent of a district's equalized valuation; for K-8 and high school districts, the limit is 5 percent of the district's equalized valuation.

STATE SUPPORT (Cont'd)

6. In the case of Buse v. Smith (1976) 74 Wis. 2nd 550, 247 NW 2nd 141. Under the school aid statute as revised by Chap. 90, Laws of 1973, certain school districts were required to make "negative" aid payments from local revenues to the State's general school aid fund. These payments were to be required only of those districts which had an equalized valuation over a threshold level or whose costs per pupil exceeded a certain level. The Wisconsin State Supreme Court decided that the negative-aid payment requirement was unconstitutional as a violation of the state constitution requirement of "uniform taxation". The aid payment was ruled to be a "local tax", and as such it violated the general premise that "the purpose of the tax must be one which pertains to the public purpose of the district within which the tax is to be levied and raised", and statewide equalization of educational expenditures was not deemed to be a sufficiently local purpose. Thus, under the present Wisconsin equalization aid law, those school districts whose aid is calculated to be a negative number receive zero aid and are not required to pay into the general-aid fund.

7. Under the gradual phase-out plan, the personal property tax on merchant's stock-in-trade, manufacturer's materials and finished products, and livestock is being levied on a reduced basis. By 1981 these items will be exempt from personal property taxation.

8. A major legal assessment change is in the implementation of the state tax-incremental-financing (TIF) law. A tax-incremental district (TID) is created when a local government (with state approval) seeks to provide an urban area with much needed improvements without overburdening the remaining tax base of the municipality. All tax revenues (from all levels of government empowered to levy property taxes on the TID) that are derived from the increased valuation that results from the improvements made in the TID are to be used to fund improvements made, not the programs of taxing jurisdictions. The tax revenues that are to be used for this purpose are defined as those which are derived from the value increment of the TID. The value increment is the difference in the equalized valuation of a TID between the time of the creation and the time of assessment. TIDs have a maximum lifetime of 20 years.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $725,265,100 (100%)

BASIC SUPPORT PROGRAMS

GENERAL AID Supchapter 1 of Chapter 121 of Wisconsin Statutes $585,381,800 (80.759%)

The amount budgeted includes:

Equalization aid (stages 1, 2, and 3)	$572,436,000
Personal property tax relief (stage 4)	10,438,300
Special adjustment aid (stage 5)	2,091,400
Tax-incremental financing aid (stage 6)	416,100

The following characteristics of school districts are used in determining general aid for each district:

(1) Membership, as defined in Wis. Stat. 121.004, 121.05, and 121.14, is the sum of "current membership" and the "declining enrollment increment."

(2) Current membership, as defined in Wis. Stat. 121.004, includes only

- (a) resident pupils in membership on the third Friday in September and
- (b) the summer-school average daily membership equivalent.

(3) The third-Friday membership, as defined in Wis. Stats. 121.004(5), 121.004(8), and 121.05(1), is the same as the enrollment in district classes on that date with the following exceptions:

- (a) Pupils aged 3-5 who are enrolled in programs for children with exceptional educational needs and kindergarteners count as half-members.
- (b) Children may not be counted in membership if, by December 1 of the current year, they have not attained the age of 5 (kindergarteners) or 6 (first graders), unless an exception is granted under the standards and procedures established by the state superintendent.
- (c) In a district operating a continuous school year, pupils who are residents of the district as of the third Friday in September, and who are not then full-time students but are expected to become full-time students prior to December 31, may be counted in membership.
- (d) Pupils who are enrolled in special-education programs operated by county handicapped children's education boards (CHCEBs) in the facilities of the school district are counted as members.
- (e) Pupils who are enrolled in homebound programs are counted as members.
- (f) Resident pupils for whom the district pays tuition to other educational agencies and who attend,
  - (1) special-education programs in model school under Wis. Stat. 36.25(19),
  - (2) special-education programs in other districts or county classes under Wis. Stat. 155.87(5),
  - (3) out of state schools at least 1.5 miles closer than a state school, or
  - (4) school in a district of declining enrollment, under Wis. State. 121.78(3)

  are counted as members.

(4) The summer-school average daily membership equivalent, as defined in Wis. Stat. 121.004(7), is the aggregate number of class periods of membership for the summer session divided by 1080 (the theoretical number of class periods in a 180-day school year).

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: Each district's shared cost is estimated from budget report, filed by October 1 of each year. The estimate is used to make payments during the current school year. Each district's actual shared cost is derived from its cash report filed by August 1 following the school year. Under provisions of Wis. Stat. 121.07 the aid payment is recomputed using the actual shared cost; appropriate adjustments are then made.

General aid is computed in 6 stages.

Stage 1 is primary equalization aid, which is based on the following guaranteed valuations for 1978-79:

K-12 districts	$137,000/member
UHS districts	$411,300/member
K-8 districts	$205,700/member

This type of aid applies to the primary shared cost, which for 1978-79, is that portion of shared cost below $1868 per member. Multiplying the appropriate guaranteed valuation per member by the district's membership yields the district's primary required levy rate as follows:

$$\text{primary required levy rate} = \frac{\text{primary shared cost}}{\text{primary guaranteed valuation}}$$

The State payment to the district is equal to the amount by which the primary guaranteed valuation exceeds the school district equalized valuation, multiplied by the primary required levy rate.

Primary Aid = (primary guaranteed valuation minus equalized valuation) x primary required levy rate.

Stage 2 is the calculation of secondary equalization aid, which is based on the following guaranteed valuations for 1978-79:

K-12 districts	$ 84,200/member
UHS districts	$252,600/member
K-8 districts	$126,300/member

This type of aid applies to secondary shared cost, which is that portion of shared cost which is above $1868/member. The state computes secondary equalization aid using the same approach as for primary.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

(5) The declining-enrollment increment (DEI) as defined in Wis. Stat. 121.004(8) applies only to districts which have a current membership of less than 97.9% of the previous year's membership. The DEI is equal to half of the difference between 97.9% of the previous year's membership (including the DEI, if any) and the current year's current membership.

(6) Cost-control membership, as defined in Wis. Stat. 121.90, is the greater of the following:
- (a) the average of the current-year and prior-year membership, or
- (b) the current-year membership minus 1% of the prior-year membership.

(7) Shared cost is defined in Wis. Stat. 121.07(6) as the net cost of a school district's general fund plus the net cost of the district's debt-service fund (not to exceed $90/member). The portions of programs which are funded by non-tax local income, federal aid, and state categorical aid are excluded from sharing.

(8) Primary ceiling cost per member, as defined in Wis. Stat. 121.07, is 110% of the state average shared cost per member for the previous school year.

(9) Primary shared cost, as defined in Wis. Stat. 121.07, is that portion of a district's shared cost which is less than the primary ceiling cost per member multiplied by its membership.

(10) The secondary shared cost, as defined in Wis. Stat. 121.07, is that portion of a district's shared cost which is not included in the primary shared cost.

(11) The required levy rate is defined in Wis. Stat. 121.07(10) as the sum of the primary and secondary required levy rates.
- (a) The primary required levy rate is the primary shared cost divided by the primary guaranteed valuation. (See Item 15 below.)
- (b) The secondary required levy rate is the secondary shared cost divided by the secondary guaranteed valuation.

(12) Controllable cost, as defined in Wis. Stat. 121.90, is the shared cost minus that portion of the shared cost that is derived from the debt-service fund. (See "Capital Support Programs, Debt Service Aid".) The current-year controllable cost per member is limited to 109.5% of the previous year's controllable cost per member. Districts may appeal to the state superintendent if the limit would prevent:
- (a) the development of programs for children with exceptional educational needs,
- (b) utilization of a new building or an addition to a building,
- (c) implementation of a plan to eliminate racial imbalance,
- (d) compliance with state or federal court orders not generally required by all districts.
- (e) meeting inflationary increases in the cost of heat for buildings and electricity,
- (f) employment of a reading specialist,
- (g) provision of transportation for pupils in areas of unusual hazard, and/or
- (h) provision of transportation for pupils in city districts living 2 or more miles from school.

The district may be granted an increase (in an appropriate amount as determined by the state superintendent) in its controllable cost if it meets one of the above exceptions. The district may also appeal to the state superintendent for an adjustment in its controllable cost for the following:
- (a) a cost payable in the previous year but paid in the present year,
- (b) income receivable in the prior year but received in the present year,
- (c) a change in the state public-school accounting system,
- (d) an expense incurred in upgrading school buildings to energy-efficient standards,
- (e) salary amounts budgeted but not paid due to a strike in the previous year, and/or
- (f) retroactive salary increases for the prior year awarded by a mediator/arbitrator.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Wis. Stat. 121.155 equalization (cost-sharing) aid may not be paid on any share costs which exceed the cost-control limitation for a given district.

Stage 3 is negative aid cancellation. In the event that the amount of equalization aid (primary plan secondary) calculated for a district is a negative number, it will be changed to zero.

Stage 4 is the calculation of personal property tax relief. Two separate equalized-valuation figures are certified to the Department of Public Instruction by the Department of Revenue, one with personal property set at a reduced percentage. (Definitions 13 and 14.) Two separate general-aid computations are then made and an amount equal to the difference between them is transferred to the appropriation for general school aid from the appropriation for personal property tax relief. School aids are then calculated for the current school year for each district based upon the reduced valuation.

Stage 5 is the calculation of special adjustment aids. For those districts which meet the criteria specified in definition 20, special adjustment aids are calculated as follows:

Special adjustment aid = 0.5 x [prior-year general aid (stages 1-5) - current-year general aid (stages 1-4)]

Stage 6 is the calculation of supplemental (tax-incremental financing TIF) aid. All school districts which contain a TID within their boundaries are eligible to receive supplemental aid in an amount determined by repeating steps 1-5 using the equalized valuation without the value increment and finding the difference between that calculation and the original calculation.

Local Participation:

Stage	+Aid Districts	Members	-Aid Districts	Members	District
1	392	829,668	33	36,630	425
2	55	218,448	73	144,314	128
3	34	36,968	0	0	34
4	391	829,330	0	0	391
5	36	36,527	0	0	36
6	4	117,580	0	0	4

The total statewide membership for the 1978-79 school year is 866,300. One district with a membership of 58, received the maximum state aid/member of $1891. 33 districts with a total membership of 36,590 received the minimum aid/member of $0.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

A school district may also increase its controllable cost by submitting the matter to a referendum vote of all the electors in the school district. If the electorate approves, the new controllable cost approved by the voters is used to calculate state aid payments.

(13) Equalized valuation, as defined in Wis. Stat. 121.07, is the full property value of a school district, as equalized by the Department of Revenue, including the adjustment for merchant's stock-in-trade, manufacturer's materials and finished products and livestock. (See Item 14 below.)

(14) Personal property tax relief, as defined in Wis. Stat. 70.57, is the program under which the State of Wisconsin is gradually phasing out the taxation of merchant's stock-in-trade, manufacturer's materials and finished products, and livestock. Each year the state Department of Revenue certifies to the Department of Public Instruction the equalized valuation of each school district in the state. Two figures are certified. The first is the equalized valuation with the value of personal property set at 100%. The second is the equalized valuation with the value of personal property set at a statutorily defined reduced percentage. This percentage was 90% in 1977 (which was the equalized valuation year used to calculate 1978-79 aid payments), and will continue to decline until the afore-mentioned items are no longer taxed at all in 1981. The state grants aid to local school districts based on this reduced equalized valuation, thus providing an additional supplement. The appropriation for this aid is transferred from the state Department of Revenue appropriation designed to aid municipalities for the revenue lost due to this phase-out of certain personal-property items from taxation.

(15) Primary guaranteed valuation per member (PGVM), as defined in Wis. Stat. 121.07(7), is the statewide minimum property-tax base guaranteed to school districts for the funding of primary shared costs. Districts which have an equalized valuation per member (EVM) which is less than the PGVM receive state aid on their primary shared costs (stage 1) equivalent to raising their EVM to the primary guaranteed level. PGVM is expressed in three different figures. For districts operating grades K-12, the PGVM is $137,100. For districts operating grades 9-12, the PGVM is $411,300 (or 3 times the PGVM for K-12 districts, since 9-12 districts have about one third as many pupils as a comparable K-12 district.) For districts operating grades K-8, the PGVM is $205,700 (or 1.5 times the PGVM for K-12 districts, rounded to the nearest hundred dollars.)

(16) Secondary guaranteed valuation per member (SGVM), as defined in Wis. Stat. 121.07 for K-12 districts, is the statewide equalized valuation per member rounded to the nearest hundred dollars. The SGVMs for K-8 and 9-12 districts bear the same relationship to the K-12 SGVM as do the respective primary guarantees. The SGVM is used for the funding of secondary shared costs in the same manner as PGVM funds primary costs.

(17) Tax-incremental base, as defined in Wis. Stat. 66.46, is the equalized value of taxable property within a tax-incremental district on the date such district is created.

(18) Value increment, as defined in Wis. Stat. 66.46, is the equalized valuation of a tax-incremental district in any given year, minus the tax-incremental base.

(19) Supplemental tax-incremental financing (TIF) aid, as defined in Wis. Stat. 121.085, is a supplement to local school districts which have within their boundaries a tax-incremental district (TID). Wis. Stat. 66.46, part of the state Tax-Incremental Finance Law, grants to muncipalities the power to create (with the approval of the state) a TID to promote renewal or development of urban areas. All tax revenues (from all levels of government empowered to levy taxes on the TID) that are derived from the value increments of the TID are to be used to fund improvements made within the TID, not programs of the taxing jurisdictions. Thus, school districts (like other units of government that levy taxes on the TID) lose the revenue that will result from the creation and increased valuation of a TID. (TIDs have a maximum lifetime of 20 years from the date of creation.) Supplemental aid uses the state equalization-aid formula to replace school district revenue lost due to the creation of a TID.

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Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	**Calculation of State and Local Shares of Program Cost; Extent of School District Participation.**

(20) Special Adjustment aids, as defined in Wis. Stat. 121.10, are granted to those districts which meet the following requirements:
(a) The district's annual percentage increase in equalized valuation per member must be greater than the average percentage increase in equalized valuation per member for school districts of like organization.
(b) The district's equalized valuation per member must be less than the primary guaranteed valuation per member for school districts of like organization.
(c) The secondary shared cost must be less than 20% of the primary shared cost for the district, if equalized valuation per member exceeds the secondary guaranteed valuation per member for districts of like organization.

COOPERATIVE EDUCATIONAL SERVICE AGENCIES (CESA) ADMINISTRATIVE FUNDING, Wis. Stats 116.08 and 116.52 — $ 981,600 (0.14%)

Chapter 116 of Wisconsin Statutes describes the Cooperative Educational Service Agencies (CESAs), created in 1965 to replace county superintendents of schools as intermediate educational agencies. The state's 19 CESAs coordinate and package cooperative programs for participating school districts, and each CESA's school committee supervises district reorganizations within the CESA. The cost of educational programs is borne by the participating districts, but administrative costs for each CESA coordinator and per diem and travel expenses for CESA school-committee members are funded by the state.

State Share: The state pays up to $44,200 per CESA for the salary and related costs of the coordinator and other administrative expenses. The state also pays approved per diem and travel meeting expenses for CESA school-committee members. This amounted to $128,740 in 1978-79.

Local Share: If the CESA's programming is sufficiently extensive as to warrant the hiring of personnel over and above the state-funded level, such costs are charged to the participating schools.

Extent of Participation: all 19 CESAs received funding at the maximum level and per diem and travel reimbursement.

PUPIL TARGETED INSTRUCTIONAL PROGRAMS

HANDICAPPED AID — $ 93,642,800 (12.91%)
Subchapter 4 of Chapter 115 of Wisconsin Statutes

The state pays from a general-revenue appropriation, the costs of handicapped aid generated by the statutory formulas. Wis. Stat. 115.85 requires that each school district "shall ensure that appropriate special educational programs are available to children with exceptional educational needs who have attained the age of 3 years and who reside in the school district." Programs may be provided by the district itself, by combinations of districts through a fiscal-agent district or a cooperative educational service agency (CESA), by a county handicapped children's education board (CHCEB), or by placement in a special school, whether operated by the state or by some other non-sectarian agency within or outside the state. All districts which incur costs under this mandate are eligible for handicapped aid. The Wisconson Department of Public Instruction has identified 11 handicapped conditions:
(1) educable mentally retarded (EMR)
(2) trainable mentally retarded (TMR)
(3) speech
(4) hearing
(5) vision
(6) special learning disabilities (SLD)
(7) emotionally disturbed (ED)
(8) physically or multiple handicapped
(9) homebound
(10) school-aged mother
(11) early childhood

State Share: The state pays the calculated amount.

Local Share: The local district pays that portion of approved costs remaining after handicapped aid is deducted and 100% of unapproved costs. Such costs are subject to sharing under the general-aid program.

Extent of Participation: In 1978-79, 387 (out of 425) school districts, 18 (out of 19) CESAs, and 15 CHCEBs (out of 72 counties) received handicapped aid. Virtually all pupils in the state (866,400) were members of districts which received handicapped aid in one form or another, either directly, through a CESA, or through a CHCEB.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Local districts are mandated to identify and provide services for children with these exceptional educational needs. The state pays:

(1) 70% of the cost of teachers and transportation;
(2) 70% of the total cost, not to exceed $300 per unit, for books and equipment for new units in a handicapped program;
(3) 100% of the cost of board and lodging for handicapped children placed in foster homes and 100% of the transportation costs to and from such homes;
(4) 70% of the cost of handicapped-program coordinators;
(5) either 33%, 50%, or 70% (depending on the amount of time spent working with handicapped children) of the salaries of school psychologists and social workers. Programs and costs much be approved by consultants at the Wisconsin Department of Public Instruction

DRIVER EDUCATION AID
Subchapter 3 of Chapter 121 of Wisconsin Statutes $ 3,928,200 (0.54%)

The state pays local school districts $40 per high-school pupil who completes an approved driver-education course, consisting of both classroom and behind-the-wheel experience, but the total amount paid to any given district may not exceed the actual cost of the program.

Driver-education aid is a biennial appropriation from segregated funds consisting of chauffeur's and driver's license fees. If the appropriation is insufficient in any year to make the payments generated by the formula, the payments are prorated. Payments are made on a reimbursement basis for costs incurred in the prior year.

State Share: The state pays the calculated amount.

Local Share: The local district pays that portion of the cost of driver education remaining after receipt of driver-education aid. Such costs are sharable under the general-aid program.

Extent of Participation: All 373 K-12 districts and all 9 UHS districts with a total membership of 849,800 as well as 2 CHCEBs received driver-education aid.

SPECIAL TRANSFER AID (Integration Aid)
Subchapter 6 of Chapter 121 of Wisconsin Statutes $ 15,373,200 (2.12%)

Integration aid is paid to school districts for both inter-district and intra-district transfers of minority pupils from high-minority-attendance areas to low-minority-attendance areas and for inter-district and intra-district transfers of non-minority pupils from low-minority-attendance areas to high-minority-attendance areas. An attendance area which has 30% or greater minority-pupil enrollment is considered a high-minority-attendance area.

There are four types of integration aid. They are paid in the following manner.

(1) Intradistrict aid: Districts which are implementing special-transfer programs under the criteria outlined above are entitled to an amount equal to that produced by counting each pupil transferred as 1.2 members in the general aid formula. The difference between this value and the amount generated by counting each such pupil as 1.0 members is the special-transfer aid.
(2) Interdistrict aid: In the event two school districts establish an agreement to implement student transfers under this program, two types of aid are paid. The district of residence may still count the pupils in membership for general state aid. The district of attendance receives a payment under one of two formulas. If the number of transfer pupils is less that 5% of the total membership, the following formula is used:

$$\text{aid} = \text{number of transfer pupils} \times \frac{\text{net school cost}}{\text{membership} + \text{number of transfer pupils}}$$

State Share: The amount in the statutory formulas plus special-transfer aids and transportation aids.

Local Share: None.

Extent of Participation: 2 of Wisconsin's 425 school districts recieved intra-district special-transfer aids. 13 districts received inter-district transfer aids. No districts received special aids. 6 districts received transportation aids. A total of 14 districts, with a total membership of 152,500, participated in at least one aspect of the special transfer aids program.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

If the number of transfer pupils is 5% or more of the total membership, the district of attendance will receive aid equal to 1.2 times the aid paid to the districts under the above formula.

(3) Special aid: If a district incurs costs in implementing a transfer program beyond aids received, it may appeal to the Department of Public Instruction for supplemental aids to cover unreimbursed costs.
NOTE: The above aids are granted in lieu of tuition payments for non-resident pupils. No integration aids are paid to districts which receive funds under Public Law 81-874 (School Assistance in Federally Affected Areas) or Public Law 73-167 (Johnson-O'Malley Act) or state tuition aids.

(4) Transportation Aid: Transportation shall be provided for special-transfer pupils either by the district of residence or by contract agreement (in the event of an inter-district transfer) if the pupil being transferred would otherwise qualify to be transported. The district which provides such transportation is entitled to full reimbursement for the cost of such transportation but may not claim state transportation aid for that pupil.

SPECIAL EDUCATIONAL NEEDS (SEN) GRANTS
Subchapter 5 of Chapter 115 of Wisconsin Statutes $ 1,225,000 (0.17%)

The state makes grants to public school districts and to nonprofit, nonsectarian private agencies for educational services provided to students who "have, or are likely to have, low levels of academic achievement, especially in relation to social and economic factors." Priority is given to "programs for preschool children."

SEN Grants are made from an annual appropriation from general purpose revenue. The 1978-79 appropriation was for $1,225,000, but a portion of it (now shown above) is paid to agencies other than public school districts. Cooperative educational service agencies (CESAs) may receive SEN grants.

State Share: The state pays 75% of the total proposed budget. The amount of the budget is determined by guidelines established by the state superintendent.

Local Share: The participating school or agency must match 25% of the proposed budget. Public schools and CESAs must match with cash; private agencies must match with cash or in-kind contributions. Districts may provide financial resources over and above the 25% required.

Extent of Participation: 8 school districts with a total enrollment of 125,379 members and 3 CESAs received SEN grants totalling $285,000 or 23% of the total appropriation. SEN grants made to agencies other than public schools or CESAs totalled $475,000 or 39% of the total appropriation. $465,000 or 38% of the appropriation was unexpended.

TUITION PAYMENTS
Subchapter 5 of Chapter 121 of Wisconsin Statutes $ 997,000 (0.14%)

The state pays tuition for pupils in these categories:

(1) children in children's homes,
(2) children of parents employed at and residing on the grounds of a state or federal military camp, federal veterans' hospital, or state charitable or penal institution,
(3) children in the care, custody, or control of the Department of Health and Social Services (with the exception of foster children),
(4) non-handicapped children in tax-exempt foster homes, except if the home is in the same school district as the child's parent or guardian.

State Share: The state pays the calculated amount of tuition

Local Share: The local district advances the funds for the education of pupils eligible for tuition, but is fully reimbursed in the following year.

Extent of Participation: 28 out of 425 districts with a total membership of 233,000, received tuition payments in 1978-79 for costs incurred in 1977-78.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

The tuition payment is computed as the net cost of a district's general fund and debt service fund divided by the average daily membership (ADM). Since the payment is a reimbursement for costs incurred in the prior school year, actual receipts, disbursements, and ADM are used. Tuition is paid from an annual appropriation from general purpose revenue and is prorated if the appropriation is insufficient to cover the amount generated by the formula.

BILINGUAL-BICULTURAL EDUCATION PROGRAMS
Subchapter 6 of Chapter 115 of Wis. Stats. $ 1,432,800 (0.20%)

School districts which meet established criteria are required to provide bilingual-bicultural education programs for limited English-speaking pupils. The program is presently being phased in, with bilingual-bicultural programs required only of school districts which have the required number of K-3 limited English-speaking pupils.

By March 1 of each year districts are required to provide the state superintendent a count of limited English-speaking pupils in the district. Those districts which have 10 or more limited English-speaking pupils in grades K-3 at a particular school (and whose parents have consented to their participation in a bilingual program) are required to provide a bilingual bicultural program.

The state pays aids amounting to 70% of the district's expenditures for the salaries of personnel involved in bilingual-bicultural education programs, special books and equipment, and any other related expenses that are approved by the state superintendent.

PUPIL SUPPORT PROGRAMS

TRANSPORTATION AIDS
Subchapter 4 of Chapter 121 of Wisconsin Statutes $ 15,319,500 (2.11%)

Under Wis. Stat. 121.54, school districts must provide free transportation for:
(1) all pupils living more than 2 miles from the school attended, except that city districts are not obligated to transport pupils within the city limits,
(2) all handicapped pupils, regardless of distance, who cannot walk to school in safety and comfort,
(3) all pupils who would be exposed to unusual hazards in walking to school.
Districts are required to provide transportation for all district residents qualifying under the above specifications regardless of whether they attend a public or non-public school.

Wisconsin pays a flat per-pupil grant to local districts to help offset transportation costs on the basis of the following schedule:

Distance Transported	Regular School Year	Summer School
0-2 miles *	$24	$4
2-5 miles	24	4
5-8 miles	36	6
8-12 miles	48	6
over 12 miles	54	6

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*Handicapped children and children in areas of unusual hazard.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State Share: The state pays 70% of all approved bilingual-bicultural education costs.

Local Share: The local district pays 30% of approved costs and 100% of all other costs associated with a bilingual-bicultural education program. Such costs are sharable under the state general-aid program.

Extent of Participation: 7 out of 425 school districts with a total membership of 238,000, provided bilingual-bicultural education programs in 2 languages and received $1,393,000 in state reimbursement during the 1978-79 school year.

State Share: The state pays the calculated amount.

Local Share: The local district pays that portion of transportation costs remaining after transportation aid is deducted. Such costs are sharable under the general aid program.

Extent of Participation: 418 out of Wisconsin's 425 districts with a total membership of 844,400 received transportation aid.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
For pupils transported fewer than 91 days (regular year) or 16 days (summer school), half payment is made. The payment is made from a biennial appropriation from general purpose revenue. Aid is paid to reimburse costs incurred by districts in the prior school year. Under Wis. Stat. 121.58, transportation aid will be prorated for any year in which the appropriation is insufficient to cover the formula amounts.	
SCHOOL LIBRARY AID Constitution Article 10 Sections 2 and 5; Wis. States. 25.23 & 43.70 $ 3,381,200 (0.47%) The Common School Fund was established by the Wisconsin Constitution. Loans are made from the fund, and interest on the loans is distributed to school districts on the basis of the number of children between the ages of 4 and 20 residing in the district, as reported on the school census. In 1978-79, a payment of $2.57 per child was made.	State Share: The state pays the calculated amount. Local Share: There is no local requirement for participation in school library aid. Extent of Participation: All 374 K-12 and 42 K-8 districts with a total membership of 856,800 received school library aid.
SCHOOL LUNCH AID Wis. Stat. 115.34 $ 3,602,000 (0.50%) The State of Wisconsin makes payments to local school districts which equal the state's matching obligations under the federal school lunch program (PL 79-396). The payments in the current year are determined on the basis of the number of school lunches served in the prior year. For 1978-79, the reimbursement was 4.5¢ per lunch.	State Share: The state pays the calculated amount. Local Share: The local districts pay any portion of the cost over the combined federal and state reimbursement. Such costs are sharable under the general-aid program. Extent of Participation: 406 districts with a total membership of 802,900 received state school lunch aid in 1978-79.
CAPITAL SUPPORT PROGRAMS	
STATE TRUST FUND LOANS, Chapter 25 of Wisconsin Statutes Est. $ 12,000,000 The state trust fund consists of money derived from the sale of public lands. As loans from the fund are repaid, money continues to become available for new loans. Loans are made to school districts and municipalities. Districts must obtain approval of their applications (limited to $500,000 per application per year) and have outstanding debt of less than 10% of their equalized valuation (5% for elementary and union high school districts). In 1977-78 over $10.5 million in new loans were made to 33 school districts.	State Share: Approximately $12,000,000 is available each year. Local Share: Districts repay the loan and 5.0% interest by collections through the property tax. Extent of Participation: At the start of the 1978-79 school year there were approximately 742 loans outstanding, totalling $67,192,387, to 253 districts. In the first 6 months of fiscal 1978-79, 32 loans for $7,447,000 were granted to 24 school districts.
DEBT SERVICE AID Subchapter 2 of Chapter 121 of Wisconsin Statutes Up to $90 per member of the net cost of long-term debt service is included in the cost subject to sharing under the general-aid program.	State Share: See General Aid description No. 7. Local Share: See General Aid description No. 7. Extent of Participation: 386 districts with a total membership of 827,700 received general equalization aid on their long-term debt up to $90/member.

WYOMING

PUBLIC SCHOOL FINANCE PROGRAM, 1978-79

Mark Fox, Assistant Superintendent, served as the State authority for preparation and review of this program report.

Selected School Finance Facts

STATE SUPPORT

1. The State provided approximately 32 percent of the State and local revenues for education.
2. Mineral royalities and a six mill State property tax are the principal sources of State aid for public schools. For the 1976-77 school year, mineral royalties were the source of 50 percent of school aid and the statewide levy accounted for an additional 27 percent of such aid. Earnings from the Land Income Fund provided 18 percent. State appropriations accounted for only 4 percent of the total. Minor receipts were derived from a motor vehicle tax, a car company tax and insurance.
3. The State guaranteed a uniform amount equal to $20,300 per classroom unit. This guarantee equalled an estimated 26 percent of average expenditures per pupil.
4. A new program, the Capital Construction Act of 1977, provides formula grants and loans to school districts for capital purposes. This is the first grant program in this area.

LOCAL SUPPORT

1. There are 51 independent school districts in the State.
2. Local and county revenue for public elementary and secondary schools obtained from property taxes account for about 70 percent of the local revenue receipts. The remaining 30 percent is from county sources, such as fines and forfeitures, motor vehicles fees, and the forest reserve fund.
3. Full participation in the School Foundation Program Fund requires a 10-mill tax rate for K-12 districts; 6.666 mills for elementary districts supporting a high school; 3.334 mills for special high school districts; and 10 mills for elementary districts not supporting a high school. Also required are county taxes ranging from 4 to 12 mills depending on the grade level of the school district.
4. Current expense tax levies for grades K-12 based on county assessed valuations of taxable property are limited to 25 mills without electoral approval and 28 mills with voter approval. (Elem. 15-with vote 16.8; HS 10-with vote 11.2; Elem. not supporting HS-15-16.8 and 5 mills for tuition.)
5. Counties may levy up to 3 mills on the county valuation of taxable property to produce a maximum of $300 per teacher and $300 to $450 per bus route.
6. A Special Building Fund, authorized for a period of years by electoral approval, may not exceed 4 percent of the district's assessed valuation.
7. Total bonded indebtedness may not exceed 6 percent of the county assessed valuation for either elementary and secondary grades or 10 percent in total for grades K-12.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.

TOTAL $69,121,945 (100%)

BASIC SUPPORT PROGRAM

SCHOOL FOUNDATION PROGRAM FUND $50,696,896 (73.34%)
(Ch. 119, Laws of 1955, as amended. Ch. 67, SLW, 1959, Sec. 1, Ch. 192, SLW, 1961, Sec. 1, Ch. 72, SLW, 1963, Ch. 190, SLW 1965, SLW 1973)

Value of Classroom Unit	
FY 79	$21,700
FY 80	23,200

All reported unit expenditures are calculated on basis of classroom unit of $21,700 except as noted.

Unit allotments are based on prior year ADM and are calculated as follows:

Elementary, grades 1-8	1 unit for each 25 pupils in ADM for schools with 200 or more pupils.
Secondary, grades 9-12	1 unit for each 25 pupils in ADM for schools with 300 or more ADM.

The following number of classroom units (CRU) were funded in 1978-79: ($77,383,784)*

grades 1-6	1,758.542
grades 7-8	587.537
grades 9-12	1,219.994

* The calculated amount refers to the State and local shared costs of the Foundation Program for all school districts, including those which do not receive any entitlements under this program. Of the State's 51 school districts, 14 receive no entitlements because of their wealth status.

Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

State share: Total cost of minimum program, minus local district resources, $50,696,896

Local share: Standard tax rates based on current local assessed valuation:

K-12 districts, 10 mills.
1-8 districts, not in a high school district, 10 mills
1-8 districts in a high school district, 6.666 mills
9-12 districts, 3.334 mills.

Tax yield: $32,525,733

In addition, a mandatory 12-mills county levy is required:

K-12 districts	12 mills
1- 8 districts	8 mills
9-12 districts	4 mills

1- 8 not supporting a high school, 12 mills

Tax yield: $39,023,476

The yield of this levy is distributed back to the districts on a percentage basis determined by taking the districts classroom units for the previous year and dividing it by the total classroom units in the county for the previous year.

A general county school tax is levied for teachers salaries and bus routes. Tax yield: $2,384,379

Local contribution of participating districts to the Foundation Program was $46,432,796 and includes both district and county revenues.

The 14 districts which did not qualify for foundation aid raised $50,202,738.

Extent of participation: 37 school districts participated in the Foundation Program.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Adjustments for small schools . . . .

Grades 1-8			Grades 9-12		
ADM	Divisor	Minimum Units	ADM	Divisor	Minimum Units
Under 25	10	1.00	Under 25	10	1.00
25-44	15	2.40	25-59	12	2.40
45-89	18	2.93	60-109	15	4.91
90-139	20	4.94	110-169	18	7.27
140-199	23	6.95	170-239	21	9.36
200 or more	25	8.65	240-299	23	11.38
			300 or more	25	13.00

The State superintendent shall first allot to each district, classroom units for one teacher, elementary and secondary schools, classroom units for vocational education and classroom units for kindergarten and special rooms. (See foundation report enclosures.)

Allotments of classroom units shall be made on the average daily membership for the preceding school year.

Allowable adjustments for enrollment changes.

Recalculation of classroom units in any school is allowed upon district application to the State Board of Education:

Increased attendance (1) if the ADM in the first 60 days of the school year exceeds the prior year ADM by 10% or 100 pupils in ADM during the same period; or

(2) if enrollment in any school increases by February 1 by 15% over prior year ADM during the first 60 days; or

Decreased attendance (3) if ADM declines by 100 ADM or by 10% of prior year ADM during the first 60 days of the current year, then the State board may recalculate the entitlement.

Special Classess . . . . ($6,504,467)*

299.745 classroom units were funded

Each school providing a class for the educable retarded and for pupils evaluated or diagnosed as having physical, psychological, or social disabilities which impair learning, is allowed one unit ($21,700) for each class of ten (10) or more pupils and proportional units for fewer than ten (10) pupils; and one (1) full unit, or proportional fraction thereof, for each eight (8) pupils identified as trainable retarded; provided a properly certificated teacher qualified to teach pupils having the disabilities included in this Act is employed in each allocated classroom unit, and such pupils are not otherwise included in any other classroom unit determination.

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* State and local costs.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Vocational Education . . . . ($14,091,980)*

Funding was provided for 649.400 classroom units.

Units are allowed for the following programs as approved by the Occupational Education Section of the State Department of Education:

Vocational Orientation, grades 7-8
Vocational Exploration (including Industrial Arts Exploration, Consumer and Homemaking Education) grades 11-12.

One classroom unit is allowed for each vocational instructor teaching vocational subjects for which he is certified, full time. For less than full time a proportionate fraction of a classroom unit will be allotted.

Classes shall be scheduled for periods of time not less than that required for other subjects in the school program.

One Teacher Schools . . . . ($ 976,500)*

Funding was provided for 45 classroom units

Kindergarten . . . . ($ 3,123,324)*

1 unit for each 25 full-time kindergarten ADM or each 50 half-time ADM.

143.932 classroom units were funded.

Homebound children . . . . ($ 70,811)*

3/4 cost of homebound payments credit to the Foundation Program cost.

Tuition . . . . ($ 479,983)*

Cost of tuition, except tuition for high school students in elementary districts not supporting a high school, then only the amount in excess of 5 mills, times the valuation for the year the obligation was incurred.

Supplementary special education costs . . ($ 8,095,327)*

Amount approved by the Exceptional Children Division, State Department of Education. Program based on current ADM.

Pupil transportation . . . . ($ 5,314,101)*

3/4 of bus operation and maintenance cost credit to the Foundation Program cost.

Capital outlay for purchase of buses . . . . ($1,189,170)*

1/6 of total cost credit to the Foundation Program cost.

Isolation . . . . . . ($ 320,294)*

3/4 cost of isolation payments credit to the Foundation Program cost.

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* State and local costs.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.
COMMON SCHOOL LAND INCOME FUND $12,277,349 Section 2, Article VII, Constitution; Section 9-86 Wyoming Compiled Statutes 1957 This basic aid is available to all districts and is derived from the earnings of a permanent fund that increases yearly. $105 per census child was distributed.	State share: 100 percent of calculated amount. Local share: None, however this State aid is counted as a local resource in the following year. Extent of participation: 51 school districts.
PUPIL TARGETED INSTRUCTIONAL PROGRAMS Special Education . . . . See Basic Support Program Vocational Education . . . . . . See Basic Support Program	
PUPIL SUPPORT SERVICES Transportation . . . . See Basic Support Program	
DISTRICT CHARACTERISTICS . . . . . $12,947,049 (18.73%) SUPPLEMENTAL AID The amount of assessed valuation necessary to bring the district up to the State average multiplied by a prescribed millage rate equals the State supplemental aid.	State share: Calculated amount Local share: Supplemental aid is available only to districts levying the maximum tax allowed without a district vote which is 25 mills in unified districts. The maximum rate varies below this rate for nonunified districts. Extent of participation: 34 districts receive aid.
CAPITAL SUPPORT PROGRAMS CAPITAL CONSTRUCTION ACT of 1977 $ 5,478,000 (7.93%) W.S. 21.1-29 to 21.1-293	
Part I - Grant Program Each district's entitlement is equal to the number of classroom units in the district multiplied by $3,200 minus the yield of a 4 mill levy on the current assessed valuation. The entitlement may be used to: a) Accumulate in an interest bearing account earmarked for future construction needs in building and equipping school facilities; b) Retire an existing bond issue; c) Acquire and develop building sites; d) Repay loans of State funds; e) Repay advances from the permanent Wyoming mineral trust fund described below.	State share: Calculated amount. Local share: Proceeds of a 4 mill levy.

Name of Program; Legal Citation; Amount Appropriated for 1978-79; Percent of State Funds Allocated; Program Description.	Calculation of State and Local Shares of Program Cost; Extent of School District Participation.

Part II - Loan Program

A school district may apply for and receive up to seven years of anticipated entitlements from the Wyoming mineral trust fund. The Farm Loan Board shall approve the advanced entitlement if it appears necessary to finance the portion of a capital construction project which exceeds 80 percent of the bonding capacity of a school district.

If an advance is made to a school district, future entitlements of the district shall be paid into a general fund until the advance and interest thereon is repaid. Interest is charged at the rate of interest received from other investments in the mineral trust fund.

No loans have yet been made under the loan program.

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